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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.
► Go to www.irs.gov/Form990PF for instructions and the latest information 1802

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning 3/01 , 2017, and ending 2/28 , 2018

THE PEGGY MEYERHOFF PEARLSTONE
FOUNDATION, INC.
20 SOUTH CHARLES STREET SUITE 1200
BALTIMORE, MD 21201

A Employer identification number: 52-1035731
B Telephone number (see instructions): 410-532-2263
C If exemption application is pending, check here ► ☐ 6
D 1 Foreign organizations, check here ► ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ► ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► ☐

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

H Check type of organization: [X] Section 501(c)(3) exempt private foundation 04
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 6,927,855.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)

Section	Line	(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 ► [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	74,248.	74,248.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	585,263.			
	b Gross sales price for all assets on line 6a 1,565,592.				
	7 Capital gain net income (from Part IV, line 2)		585,263.		
	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)				
	12 Total. Add lines 1 through 11	659,511.	659,511.	0.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 1	5,200.	5,200.		
	c Other professional fees (attach sch) See St 2	81,921.	51,921.		30,000.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 3	6,952.	2,952.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 4	640.	640.		
	24 Total operating and administrative expenses. Add lines 13 through 23	94,713.	60,713.		30,000.
	25 Contributions, gifts, grants paid Part XV	409,000.			409,000.
	26 Total expenses and disbursements. Add lines 24 and 25	503,713.	60,713.	0.	439,000.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	155,798.			
	b Net investment income (if negative, enter -0-)		598,798.		
	c Adjusted net income (if negative, enter -0-)			0.	

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing	381,848.	283,361.	283,361.
	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 sch) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)			
	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)	3,989,794.	4,244,079.	6,644,494.
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	4,371,642.	4,527,440.	6,927,855.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26, and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	4,371,642.	4,527,440.	
	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)	4,371,642.	4,527,440.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	4,371,642.	4,527,440.	

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	4,371,642.
2	Enter amount from Part I, line 27a	2	155,798.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	4,527,440.
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	4,527,440.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a	See Statement 5			
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	585,263.
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 doesn't qualify under section 4940(e) Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016	377,519.	5,867,442.	0.064341
2015	312,500.	6,114,104.	0.051111
2014	449,365.	6,616,777.	0.067913
2013	327,000.	6,134,665.	0.053304
2012	323,000.	5,297,443.	0.060973

2	**Total** of line 1, column (d)	2	0.297642
3	Average distribution ratio for the 5-year base period – divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	0.059528
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	6,500,157.
5	Multiply line 4 by line 3	5	386,941.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,988.
7	Add lines 5 and 6	7	392,929.
8	Enter qualifying distributions from Part XII, line 4	8	439,000.

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.

3

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

		Line	Amount
1 a	Exempt operating foundations described in section 4940(d)(2), check here ► [ ] and enter 'N/A' on line 1		
	Date of ruling or determination letter. ________ (attach copy of letter if necessary – see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► [X] and enter 1% of Part I, line 27b	1	5,988.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	2	0.
3	Add lines 1 and 2	3	5,988.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	5,988.
6	Credits/Payments		
a	2017 estimated tax pmts and 2016 overpayment credited to 2017 — 6a: 5,798.		
b	Exempt foreign organizations – tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	5,798.
8	Enter any **penalty** for underpayment of estimated tax. Check here [ ] if Form 2220 is attached	8	
9	**Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►	9	190.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►	10	
11	Enter the amount of line 10 to be **Credited to 2018 estimated tax** ► **Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Line	Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		X
	If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either. • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If 'Yes,' complete Part II, col (c), and Part XV	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered. See instructions ► N/A			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G*? If 'No,' attach explanation	8b	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 2017 or the tax year beginning in 2017? See the instructions for Part XIV If 'Yes,' complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	10		X

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Part VII-A Statements Regarding Activities (continued)

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

Website address ► N/A

14 The books are in care of ► RICHARD L. PEARLSTONE Telephone no ► 410-532-2263

Located at ► 2 VILLAGE SQUARE, SUITE 212 BALTIMORE MD ZIP + 4 ► 21210-1624

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

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

			Yes	No
16	At any time during calendar year 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?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ►			

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

			Yes	No
1 a	During the year, did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1 b	N/A	
	Organizations relying on a current notice regarding disaster assistance, check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1 c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).			
a	At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? ☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see instructions)	2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__			
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 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)	3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4 b		X

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

			Yes	No
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	N/A	
Organizations relying on a current notice regarding disaster assistance, check here	► ☐			
c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No			
If 'Yes,' attach the statement required by Regulations section 53.4945–5(d).				
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?		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?	N/A	7b		

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

1 List all officers, directors, trustees, and 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
Ellen P. Leary 710 6th Avenue North Naples, FL 34102	President 0	0.	0.	0.
Richard L. Pearlstone P. O. Box 1860 Aspen, CO 81612-1860	VP/Sec/Treas 0	0.	0.	0.
Eugene H. Schreiber 20 S. Charles St. Suite 1200 Baltimore, MD 21201	Asst. Secret 0	0.	0.	0.

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

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

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes			
a Average monthly fair market value of securities		1a	6,266,540.
b Average of monthly cash balances		1b	332,604.
c Fair market value of all other assets (see instructions)		1c	
d **Total** (add lines 1a, b, and c)		1d	6,599,144.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2 Acquisition indebtedness applicable to line 1 assets		2	0.
3 Subtract line 2 from line 1d		3	6,599,144.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	98,987.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	6,500,157.
6 **Minimum investment return.** Enter 5% of line 5		6	325,008.

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	325,008.
2a Tax on investment income for 2017 from Part VI, line 5	2a 5,988.		
b Income tax for 2017. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	5,988.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	319,020.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	319,020.
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	319,020.

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	439,000.
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	439,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b. See instructions	5	5,988.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	433,012.

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
1 Distributable amount for 2017 from Part XI, line 7					319,020.
2 Undistributed income, if any, as of the end of 2017					
a Enter amount for 2016 only				0.	
b Total for prior years 20 ___, 20 ___, 20 ___			0.		
3 Excess distributions carryover, if any, to 2017					
a From 2012	58,128.				
b From 2013	32,085.				
c From 2014	127,796.				
d From 2015	11,881.				
e From 2016	91,109.				
f **Total** of lines 3a through e		320,999.			
4 Qualifying distributions for 2017 from Part XII, line 4 ► $ 439,000.					
a Applied to 2016, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required – see instructions)			0.		
c Treated as distributions out of corpus (Election required – see instructions)		0.			
d Applied to 2017 distributable amount					319,020.
e Remaining amount distributed out of corpus		119,980.			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		440,979.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions			0.		
e Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount – see instructions				0.	
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)		0.			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)		58,128.			
9 **Excess distributions carryover to 2018.** Subtract lines 7 and 8 from line 6a		382,851.			
10 Analysis of line 9					
a Excess from 2013	32,085.				
b Excess from 2014	127,796.				
c Excess from 2015	11,881.				
d Excess from 2016	91,109.				
e Excess from 2017	119,980.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling ►

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

	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

None

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

None

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

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

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

See Statement 6

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

See Statement for Line 2a

c Any submission deadlines

See Statement for Line 2a

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

See Statement for Line 2a

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Statement 7				
Total			► **3a**	409,000.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	74,248.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	585,263.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				659,511.	
13 **Total.** Add line 12, columns (b), (d), and (e)				13	659,511.

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

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

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

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

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

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

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

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

b If 'Yes,' complete the following schedule.

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

Sign Here

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

Eugene H Schreiber 6/28/18 Asst Secty

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
William Sweigart	William B Sweigart	6/26/18		P01383834
Firm's name ► Johnson & Sweigart			Firm's EIN ► 52-1649123	
Firm's address ► 11350 McCormick Rd EP III, Suite 901 Hunt Valley, MD 21031			Phone no 410-785-3303	

Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	$ 5,200.	$ 5,200.		
Total	$ 5,200.	$ 5,200.	$ 0.	$ 0.

Statement 2
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Consulting Fees	$ 30,000.			$ 30,000.
Investment Advisor Fees	51,921.	$ 51,921.		
Total	$ 81,921.	$ 51,921.	$ 0.	$ 30,000.

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Excise Taxes	$ 4,000.			
Foriegn Taxes and Fees	2,952.	$ 2,952.		
Total	$ 6,952.	$ 2,952.	$ 0.	$ 0.

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Custodial Fees	$ 640.	$ 640.		
Total	$ 640.	$ 640.	$ 0.	$ 0.

Statement 5
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	PNC #8188 Publicly Traded Securities	Purchased	Various	Various
2	UBS #96060 Publicly Traded Securities	Purchased	Various	Various
3	UBS #96067 Publicly Traded Securities	Purchased	Various	Various
4	UBS #96097 Publicly Traded Securities	Purchased	Various	Various
5	UBS #96138 Publicly Traded Securties	Purchased	Various	Various
6	UBS #96176 Publicly Traded Securities	Purchased	Various	Various
7	UBS #96177 Publicly Traded Securities	Purchased	Various	Various
8	UBS #96533 Publicly Traded Securities	Purchased	Various	Various
9	Proceeds From Class Action Suits	Purchased	Various	Various

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	78,987.		55,366.	23,621.				$ 23,621.
2	89,293.		65,861.	23,432.				23,432.
3	321,024.		225,601.	95,423.				95,423.
4	388,616.		237,048.	151,568.				151,568.
5	174,440.		145,729.	28,711.				28,711.
6	202,673.		127,495.	75,178.				75,178.
7	160,552.		84,179.	76,373.				76,373.
8	150,000.		39,050.	110,950.				110,950.
9	7.		0.	7.				7.
							Total	$ 585,263.

Statement 6
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:	Peggy Meyerhoff Pearlstone Foundation
Name:	Richard L. Pearlstone
Care Of:	2 Village Square, Suite 212
Street Address:	Baltimore
City, State, Zip Code:	Baltimore, MD 21210-1624
Telephone:	410-532-2263
E-Mail Address:	
Form and Content:	A written proposal should be submitted describing the activities request to be funded with any supporting details.
Submission Deadlines:	None
Restrictions on Awards:	None

Statement 7
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Reginal F. Lewis Museum 830 E. Pratt Street Baltimore MD 21202		PC	General Purpose of Organization	$ 174,000.
Forward Motion Social Justice Institute 3868 23rd Street San Francisco CA 94114		PC	General Purpose of Organization	20,000.
Labor Education & Research Project 7435 Michigan Ave. Detroit MI 48210		PC	General Purpose of Organization	20,000.
TIE Bildungswerk Heidestrasse 131 Frankfurt Frankfurt am Main 60385 Germany		PC	General Purpose of Organization	20,000.
Girl Scouts of Eastern Massachusetts 95 Berkeley Street, Ste 404 Boston MA 02116		PC	General Purpose of Organization	8,000.
Massachusetts Jobs with Justice 3353 Washington Street Boston MA 02130		PC	General Purpose of Organization	10,000.
David Lawrence Center 6075 Bathey Lane Naples FL 34116		PC	General Purpose of Organization	8,000.
Naples Philharmonic Center for the Arts 5833 Pelican Bay Blvd Naples FL 34108		PC	General Purpose of Organization	7,500.
Neighborhood Health Clinic 121 Goodlette Road North Naples FL 34102		PC	General Purpose of Organization	7,500.
Tryon Fine Arts Center 34 Melrose Ave. Tryon NC 28782		PC	General Purpose of Organization	14,500.
WGBH Educational Foundation 1 Guest Street Boston MA 02135		PC	General Purpose of Organization	7,000.

Statement 7 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Baltimore Museum of Art 10 Art Museum Drive Baltimore MD 21218		PC	General Purpose of Organization	$ 5,000.
Baltimore Tennis Patrons 10 Gerard Avenue, Suite 112 Timonium MD 21093		PC	General Purpose of Organization	8,000.
Boys & Girls Club of Collier County 7500 Davis Blvd Naples FL 34104		PC	General Purpose of Organization	5,000.
Center for Constitutional Rights 666 Broadway 7th Floor New York NY 10012		PC	General Purpose of Organization	5,000.
Florida Immigrant Coalition 2800 Biscayne Blvd 800 Miami FL 33137		PC	General Purpose of Organization	5,000.
Harry Chapin Food Bank 3760 Fowler Street Fort Myers FL 33901		PC	General Purpose of Organization	6,000.
Highlander Research & Education Center 1959 Highlander Way New Market TN 37820		PC	General Purpose of Organization	5,000.
Institute for Southern Studies 307 W. Main Street Durham NC 27701		PC	General Purpose of Organization	5,000.
Left Forum 365 Fifth Avenue New York NY 10016		PC	General Purpose of Organization	5,000.
Monthly Review Foundation 146 West 29th Street New York NY 1001		PC	General Purpose of Organization	5,000.
Naples Art Museum 5833 Pelican Bay Boulevard Naples FL 34108		PC	General Purpose of Organization	5,000.
Power U Center for Social Change 745 NW 54th Street Miami FL 33127		PC	General Purpose of Organization	5,000.

Statement 7 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
The Associated Jewish Community 101 W. Mt. Royal Avenue Baltimore MD 21201		PC	General Purpose of Organization	$ 5,000.
Tyron Downtown Development Association P. O. Box 182 Tryon NC 28782		PC	General Purpose of Organization	5,000.
Institute For Public Affairs 2040 N. Milwaukee Ave. Chicago IL 60647		PC	General Purpose of Organization	5,000.
Institute For Policy Studies 1112 16th St. NW Suite 600 Washington DC 20046		PC	General Purpose of Organization	5,000.
Baltimore School for the Arts 712 Cathedral Street Baltimore MD 21201		PC	General Purpose of Organization	2,500.
Center for Social Inclusion 150 Broadway, Suite 303 New York NY 10016		PC	General Purpose of Organization	3,000.
Davis-Putter Scholarship Fund P. O. Box 7307 New York NY 10116		PC	General Purpose of Organization	2,000.
Esperanza Center 430 S. Broadway Baltimore MD 21231		PC	General Purpose of Organization	1,000.
Grassroots Global Justice 4919 Pentridge Street Philadelphia PA 19143		PC	General Purpose of Organization	2,000.
Miami Workers Center 6127 NW 7th Ave. Miami FL 33127		PC	General Purpose of Organization	2,000.
Upstairs Artspace 49 South Trade Street Tryon NC 28782		PC	General Purpose of Organization	2,000.

Statement 7 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
US Human Rights Network 250 Georgia Avenue SE Atlanta GA 30312		PC	General Purpose of Organization	$ 2,000.
Black Commentator.com 1065 S. Pinellas Ave. Tarpon Springs FL 34689		PC	General Purpose of Organization	1,000.
Coalition of Immokalee Workers 110 S. 2nd Street Immokalee FL 34142		PC	General Purpose of Organization	1,000.
Doctors Without Borders USA 333 7th Avenue New York NY 10001		PC	General Purpose of Organization	1,000.
Foothills Humane Society, Inc. 989 Little Mountain Road Columbus NC 28782		PC	General Purpose of Organization	1,000.
Kopkind Colony 158 Kopkind Road Guilford VT 05301		PC	General Purpose of Organization	1,000.
Planned Parenthood of SW and Central FL 736 Central Ave. Sarasota FL 34236		PC	General Purpose of Organization	5,000.
Friends of Lovers Key State Park 8700 Estero Blvd. Fort Myers Beach FL 33931		PC	General Purpose of Organization	2,000.
			Total	$ 409,000.