

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

1998

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1998, or tax year beginning July 1, 1998, 1998, and ending June 30, 1999

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Name of organization ADELLE DAVIS FOUNDATION		A Employer identification number 23 7262117
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 9 of the instructions)
	615 Las Tunas Drive		A
City or town, state, and ZIP + 4 Arcadia, CA 91007		C If exemption application is pending, check here <input type="checkbox"/>	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,976,044		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
		G If address changed, check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 9 of the 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 Contributions from split-interest trusts	-	-	-	-
	3 Interest on savings and temporary cash investments	24,930	24,930	We are not	-
	4 Dividends and interest from securities	22,425	22,425	a private	-
	5a Gross rents	42,600	42,600	operating	-
	b (Net rental income or (loss))	-	-	-	-
	6 Net gain or (loss) from sale of assets not on line 10	51,952	-	-	-
	7 Capital gain net income from Part IV, line 2)	-	51,952	-	-
	8 Net short-term capital gain or (loss)	-	-	foundation.	-
	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.	141,907	141,907	-	-	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	21,000	-	-	21,000
	14 Other employee salaries and wages	-	-	-	-
	15 Pension plan or employee benefits	-	-	-	-
	16a Legal fees (attach schedule)	9,160	-	-	9,160
	b Accounting fees (attach schedule)	6,900	-	-	6,900
	c Other professional fees (attach schedule)	7,450	7,450	-	-
	17 Interest	479	479	-	-
	18 Taxes (attach schedule) (see page 12 of the instructions)	8,624	8,359	-	265
	19 Depreciation (attach schedule) and depletion	-	-	-	-
	20 Occupancy	-	-	-	-
	21 Travel, conferences, and meetings	7,800	-	-	7,800
	22 Printing and publications	-	-	-	-
	23 Other expenses (attach schedule)	27,222	23,148	-	4,074
	24 Total operating and administrative expenses. Add lines 13 through 23	88,635	39,436	-	49,199
25 Contributions, gifts, grants paid	35,000	-	-	35,000	
26 Total expenses and disbursements. Add lines 24 and 25	123,635	39,436	-	84,199	
27 Subtract line 26 from line 12:	-	-	-	-	
a Excess of revenue over expenses and disbursements	18,272	-	-	-	
b Net investment income (if negative, enter -0-)	-	102,471	-	-	
c Adjusted net income (if negative, enter -0-)	-	-	-	-	

SCANNED DEC 21 2001

STEPHEN E. THURMAN, CPA
RECEIVED WITH REMITTANCE
LOS ANGELES DISTRICT
EL MONTE, CA 91731
OCT 10 2001

FILE COPY

3 NO

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

	Beginning of year	End of year	
	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets			
1 Cash—non-interest-bearing	-		
2 Savings and temporary cash investments	396,148	369,144	369,144
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 page 14 of the 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)			
b Investments—corporate stock (attach schedule)			
c Investments—corporate bonds (attach schedule)			
11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶	859,394	894,393	1,025,000
12 Investments—mortgage loans			
13 Investments—other (attach schedule)	406,121	411,398	581,900
14 Land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶	-	-	-
15 Other assets (describe ▶ <u>Corporate Bond</u>)	41,351	41,351	-
16 Total assets (to be completed by all filers—see page 15 of the instructions. Also, see page 1, item I)	1,703,014	1,716,286	1,976,044
Liabilities			
17 Accounts payable and accrued expenses			
18 Grants payable	10,000	5,000	
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 Total liabilities (add lines 17 through 22).	10,000	5,000	
Net Assets or Fund Balances			
Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
24 Unrestricted			
25 Temporarily restricted			
26 Permanently restricted			
Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
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	1,693,014	1,711,286	
30 Total net assets or fund balances (see page 16 of the instructions)	1,703,014	1,716,286	
31 Total liabilities and net assets/fund balances (see page 16 of the instructions)	1,703,014	1,716,286	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,693,014
2 Enter amount from Part I, line 27a	2	18,272
3 Other increases not included in line 2 (itemize) ▶	3	-
4 Add lines 1, 2, and 3	4	1,711,286
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	1,711,286

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SCHEDULE ATTACHED			
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col.(h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b	N/A			
c				
d				
e				
2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	
3 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 pages 11 and 16 of the instructions). If (loss), enter -0- in Part I, line 8			3	51,932

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 organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No.
If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of 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))
1997			
1996			
1995	N/A	N/A	N/A
1994			
1993			
2 Total of line 1, column (d)			2 N/A
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 N/A
4 Enter the net value of noncharitable-use assets for 1998 from Part X, line 5			4 N/A
5 Multiply line 4 by line 3			5 N/A
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 N/A
7 Add lines 5 and 6			7 N/A
8 Enter qualifying distributions from Part XII, line 4			8 N/A

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 on page 16.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 16 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	2,049
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 12b		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	-
3	Add lines 1 and 2	3	2,049
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	-
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,049
6	Credits/Payments:		
a	1998 estimated tax payments and 1997 overpayment credited to 1998	6a	-
b	Exempt foreign organizations—tax withheld at source	6b	-
c	Tax paid with application for extension of time to file (Form 2758)	6c	-
d	Backup withholding erroneously withheld	6d	-
7	Total credits and payments. Add lines 6a through 6d	7	-
8	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> 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	2,049
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 1999 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	-

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
<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 organization in connection with the activities.</i>		
1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. ▶ \$ <u>NONE</u> (2) On organization managers. ▶ \$ <u>NONE</u>	
e	Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ \$ <u>N/A</u>	
2		X
<i>If "Yes," attach a detailed description of the activities.</i>		
3		X
4a		X
4b		N/A
5		X
<i>If "Yes," attach the statement required by General Instruction T.</i>		
6	X	
7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 18 of the instructions) ▶ <u>CALIFORNIA</u>	
8b	X	
9		X
10		X
11a		X
11b		N/A
12	The books are in care of ▶ <u>Stephen E. Thurman, CPA</u> Telephone no. ▶ <u>626-445-8406</u> Located at ▶ <u>615 Las Tunas Drive, Ste A, Arcadia, CA</u> ZIP+4 ▶ <u>91007</u>	
13	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 .—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year. ▶ <u>N/A</u>	

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.

1 Self-dealing (section 4941):

a During the year did the organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)

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 page 18 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here

c Did the organization 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 1998?

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 1998, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1998? If "Yes," list the years

b Are there any years listed in 2a for which the organization 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 page 18 of the instructions.)

c If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here.

3 Taxes on excess business holdings (section 4943):

a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?

b If "Yes," did it have excess business holdings in 1998 as a result of (1) any purchase by the organization 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 organization had excess business holdings in 1998.)

4 Taxes on investments that jeopardize charitable purposes (section 4944):

a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?

b Did the organization 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 1998?

5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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 page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).

Table with columns 'Yes' and 'No' and rows 1b, 1c, 2b, 3b, 4a, 4b, 5b. Contains 'N/A' and 'X' marks.

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 page 19 of the 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
Stephen E. Thurman 615 Las Tunas Drive, #A Arcadia, CA 91007	President 20 Hrs/Week	6,000	-	-
Kirkpatrick Dilling 1120 Lee Road Northbrook, IL 60062	Vice President	6,000	-	-

2 Compensation of five highest-paid employees (other than those included on line 1—see page 19 of the 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
Elizabeth Dilling 1120 Lee Road Northbrook, IL 60062	Secretary	9,000	-	-

Total number of other employees paid over \$50,000. ▶

3 Five highest-paid independent contractors for professional services—(see page 19 of the 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
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 NONE	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the 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	541,926
b Average of monthly cash balances	1b	382,646
c Fair market value of all other assets (see page 21 of the instructions)	1c	987,500
d Total (add lines 1a, b, and c)	1d	1,912,072
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	-
2 Acquisition indebtedness applicable to line 1 assets	2	-
3 Subtract line 2 from line 1d	3	1,912,072
4 Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 21 of the instructions)	4	28,681
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,883,391
6 Minimum investment return. Enter 5% of line 5	6	94,170

Part XI Distributable Amount (see page 21 of the 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	94,170
2a Tax on investment income for 1998 from Part VI, line 5	2a	2,049
b Income tax for 1998. (This does not include the tax from Part VI.)	2b	-
c Add lines 2a and 2b	2c	2,049
3 Distributable amount before adjustments. Subtract line 2c from line 1.	3	92,121
4a Recoveries of amounts treated as qualifying distributions	4a	-
b Income distributions from section 4947(a)(2) trusts	4b	-
c Add lines 4a and 4b	4c	-
5 Add lines 3 and 4c	5	92,121
6 Deduction from distributable amount (see page 22 of the instructions)	6	-
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	92,121

Part XII Qualifying Distributions (see page 22 of the 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	84,199
b Program-related investments—total of lines 1-3 of 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	84,199
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5	-
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	84,199

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 page 22 of the instructions)

	(a) Corpus	(b) Years prior to 1997	(c) 1997	(d) 1998
1 Distributable amount for 1998 from Part XI, line 7				92,121
2 Undistributed income, if any, as of the end of 1997:				
a Enter amount for 1997 only			82,989	
b Total for prior years: 19____, 19____, 19____		-		
3 Excess distributions carryover, if any, to 1998:				
a From 1993				
b From 1994				
c From 1995				
d From 1996				
e From 1997				
f Total of lines 3a through e	-			
4 Qualifying distributions for 1998 from Part XII, line 4: ▶ \$ <u>84,199</u>			84,199	
a Applied to 1997, but not more than line 2a.				
b Applied to undistributed income of prior years (Election required—see page 23 of the instructions)		-		
c Treated as distributions out of corpus (Election required—see page 23 of the instructions)	-			
d Applied to 1998 distributable amount				1,210
e Remaining amount distributed out of corpus	-			
5 Excess distributions carryover applied to 1998 (If an amount appears in column (d), the same amount must be shown in column (a).)	-			-
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	-			
b Prior years' undistributed income. Subtract line 4b from line 2b		-		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		-		
d Subtract line 6c from line 6b. Taxable amount—see page 23 of the instructions		-		
e Undistributed income for 1997. Subtract line 4a from line 2a. Taxable amount—see page 23 of the instructions			-	
f Undistributed income for 1998. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1999.				90,911
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions).	-			
8 Excess distributions carryover from 1993 not applied on line 5 or line 7 (see page 23 of the instructions).	-			
9 Excess distributions carryover to 1999. Subtract lines 7 and 8 from line 6a	-			
10 Analysis of line 9:				
a Excess from 1994	-			
b Excess from 1995	-			
c Excess from 1996	-			
d Excess from 1997	-			
e Excess from 1998	-			

Part XIV Private Operating Foundations (see page 23 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1998, enter the date of the ruling ▶
- b** Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 1998	(b) 1997	(c) 1996	(d) 1995	
2a 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		N/A			
d Amounts included in line 2c not used directly for active conduct of exempt activities	We are not a private operating foundation.				
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 1/4 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 organization had \$5,000 or more in assets at any time during the year—see page 24 of the 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 organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 24 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed:
- Stephen E. Thurman, President; 615 Las Tunas Dr., #A; Arcadia, CA 91007
- b** The form in which applications should be submitted and information and materials they should include:
- Letter describing scholarship needs and research projects in the field of food science and nutrition.
- c** Any submission deadlines:
- NONE
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors: Only educational institutions (College and Universities),
- We do not make awards to individuals.

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				
Brigham Young University, Provo, Utah			Adelle Davis Scholarship Fund	15,000
California State University Los Angeles, California			Adelle Davis Scholarship Fund	15,000
Total				▶ 3a 30,000
b Approved for future payment				
California State University Los Angeles, California			Adelle Davis Scholarship Fund	5,000
Total				▶ 3b 5,000

ADELLE DAVIS FOUNDATION
FORM 990-PF
SCHEDULE OF CAPITAL GAINS

6-30-99

DESCRIPTION	How Acquired	DATE ACQUIRED	DATE SOLD	GROSS SALES	COST	GAIN/(LOSS)
100 Shs Bankers Trust	P	7-16-98	2-11-99	\$ 8,428	\$ 6,198	\$ 2,230
37,531 Shs Blue Chips Fund	P	4-11-98	4-23-99	71,831	32,970	38,861
100 Shs Exxon	P	3-21-97	5-11-99	8,278	3,974	4,304
100 Shs Mobil	P	3-30-97	5-11-99	10,440	5,543	4,897
20 Shs Tricon Global	P	4-16-99	6-01-99	1,016	-0-	1,016
100 Shs Motorola	P	4-16-99	6-01-99	8,084	5,779	2,305
200 Shs Airtouch Comm	P	2-28-96	6-30-99	1,800	6,863	(5,063)
100 Shs Hewlett Packard	P	2-15-98	8-21-98	5,639	5,929	(290)
30,721 Shs Select 10 97 Dow	P	9-16-97	10-01-98	31,824	29,887	1,937
44,347 Shs S&P Industrial Portfolio	P	10-02-97	10-28-98	40,766	43,999	(3,233)
2,284 Shs Van KPM Strat 5	P	6-12-97	10-16-98	22,076	22,497	(421)
78 Shs Assoc First Capital	P	10-12-97	11-15-98	5,409	-0-	5,409
Total				\$215,591	\$163,639	\$51,952

The Adelle Davis Foundation

615 LAS TUNAS DRIVE, SUITE A • ARCADIA, CALIFORNIA 91007

TELEPHONE (626) 445-8408

FORM 990-PF
SCHEDULES
JUNE 30, 1999

Line 16 a - Legal Fees

Myers & D' Angelo	\$ 8,490
Dilling & Dilling	670
Total	<u>\$ 9,160</u>

Line 16 b - Accounting Fees

Stephen E. Thurman, CPA Tax Work	\$ 4,500
Stephen E. Thurman, CPA Bookkeeping Service	2,400
Total	<u>\$ 6,900</u>

Line 16 c - Other Professional Fees

Investment Services	<u>\$ 7,450</u>
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Line 18 - Taxes

Property Taxes - La Canada	\$ 4,935
State of California	30
Property Taxes - Hawaii	1,266
Internal Revenue Service - Tax on Investment Income	1,727
DMV	235
Foreign Tax Paid	7
LA Department of Public Works	424
Total	<u>\$ 8,624</u>

Line 23 - Other Expenses

Bank Charges	\$ 365
Postage	78
Donation - Suzanne Long Memorial	500
Office	368
Auto Repairs	1,212
Insurance	759
Commision - Dilbeck Realty - New Lease - La Canada Property	9,440
Building Repairs - La Canada Clarifier Closure	7,758
Building Repairs - Soil Testing	5,950
Office Help	792
Total	<u>\$27,222</u>