

**Return of Organization Exempt From Income Tax**

**2003**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

**A** For the **2003** calendar year, or tax year beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	<b>C</b> Name of organization <b>THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.</b>	<b>D</b> Employer identification number <b>75-2816066</b>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <b>1609 GARDEN STREET</b>	<b>E</b> Telephone number <b>805-560-8942</b>
		City or town, state or country, and ZIP + 4 <b>SANTA BARBARA, CA 93101</b>	<b>F</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates?  Yes  No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? **N/A**  Yes  No (If "No," attach a list)

H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

I Group Exemption Number

M Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**G** Website: **HTTP://WWW.MARF.ORG**

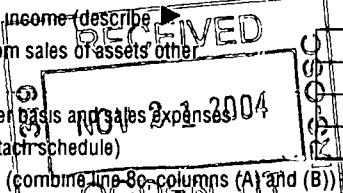
**J** Organization type (check only one)  501(c) ( 3 ) (insert no)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data Some states require a complete return.

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **509,926.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	489,438.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ <u>489,438.</u> noncash \$ _____)	1d		489,438.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5		20,488.	
	6a	Gross rents	6a			
	6b	Less rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7				
Revenue	8a	Gross amount from sales of assets other than inventory (A) Securities (B) Other	8a			
	b	Less cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
Revenue	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
Revenue	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11				
12	<b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		509,926.		
Expenses	13	Program services (from line 44, column (B))	13		454,210.	
	14	Management and general (from line 44, column (C))	14		19,403.	
	15	Fundraising (from line 44, column (D))	15		30,582.	
	16	Payments to affiliates (attach schedule)	16			
	17	<b>Total expenses</b> (add lines 16 and 44, column (A))	17		504,195.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		5,731.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,165,063.	
	20	Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 1</b>	20		1,159.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		1,171,953.	



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<b>Part II Statement of Functional Expenses</b>		All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others			
<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) cash \$291,718. noncash \$	291,718.	291,718.	STATEMENT 5	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	104,167.	88,542.	7,292.	8,333.
26	Other salaries and wages	17,077.	12,808.	2,561.	1,708.
27	Pension plan contributions				
28	Other employee benefits	3,466.	2,913.	269.	284.
29	Payroll taxes	8,604.	7,168.	719.	717.
30	Professional fundraising fees				
31	Accounting fees	1,000.	850.	70.	80.
32	Legal fees				
33	Supplies	255.			255.
34	Telephone	3,562.	3,029.	317.	216.
35	Postage and shipping	975.	396.		579.
36	Occupancy	3,250.	2,762.	228.	260.
37	Equipment rental and maintenance	120.	102.	8.	10.
38	Printing and publications	10,318.	9,190.		1,128.
39	Travel	7,528.	6,593.	78.	857.
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	675.		675.	
43	Other expenses not covered above (itemize)				
a					
b					
c					
d					
e	SEE STATEMENT 2	51,480.	28,139.	7,186.	16,155.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	504,195.	454,210.	19,403.	30,582.

Joint Costs. Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose?

**PROVIDE MEDICAL RESEARCH GRANTS**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	SEE STATEMENT 3				
		(Grants and allocations \$	291,718.)		325,437.
b	SEE STATEMENT 4				
		(Grants and allocations \$	)		84,895.
c	ADVOCACY SERVICES - WORKED INTENSELY TO EDUCATE FEDERAL LEADERS ON NEED FOR FEDERAL MESOTHELIOMA RESEARCH FUNDING & ON THE DETAILS OF AN EFFECTIVE FEDERAL MESOTHELIOMA RESEARCH PROGRAM.				
		(Grants and allocations \$	)		43,878.
d					
		(Grants and allocations \$	)		
e	Other program services (attach schedule)				
		(Grants and allocations \$	)		
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				454,210.

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**Part IV Balance Sheets**

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45 14,288.
	46 Savings and temporary cash investments	759,772.	46 875,159.
	47 a Accounts receivable	47a 660.	
	b Less: allowance for doubtful accounts	47b	47c 660.
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments - securities STMT 6 STMT 7 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	406,200.	54 279,391.
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment basis	57a 12,736.		
b Less: accumulated depreciation STMT 8	57b 5,593.	57c 7,143.	
58 Other assets (describe <b>EMPLOYEE ADVANCES</b> )		58 2,565.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	1,171,105.	59 1,179,206.	
Liabilities	60 Accounts payable and accrued expenses	6,042.	60 7,253.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe _____)		65
66 <b>Total liabilities</b> (add lines 60 through 65)	6,042.	66 7,253.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted		67
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds	661,865.	70 661,865.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71 0.
	72 Retained earnings, endowment, accumulated income, or other funds	503,198.	72 510,088.
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,165,063.	73 1,171,953.	
74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	1,171,105.	74 1,179,206.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

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<b>Part IV-A</b> Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	<b>Part IV-B</b> Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p><b>a</b> Total revenue, gains, and other support per audited financial statements ▶ <b>a</b> N/A</p> <p><b>b</b> Amounts included on line <b>a</b> but not on line 12, Form 990</p> <p>(1) Net unrealized gains on investments \$ _____</p> <p>(2) Donated services and use of facilities \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) through (4) ▶ <b>b</b></p> <p><b>c</b> Line <b>a</b> minus line <b>b</b> ▶ <b>c</b></p> <p><b>d</b> Amounts included on line 12, Form 990 but not on line <b>a</b>:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ <b>d</b></p> <p><b>e</b> Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b>) ▶ <b>e</b></p>	<p><b>a</b> Total expenses and losses per audited financial statements ▶ <b>a</b> N/A</p> <p><b>b</b> Amounts included on line <b>a</b> but not on line 17, Form 990</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) through (4) ▶ <b>b</b></p> <p><b>c</b> Line <b>a</b> minus line <b>b</b> ▶ <b>c</b></p> <p><b>d</b> Amounts included on line 17, Form 990 but not on line <b>a</b>:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ <b>d</b></p> <p><b>e</b> Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b>) ▶ <b>e</b></p>

<b>Part V</b> List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(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 & deferred compensation	(E) Expense account and other allowances
DR. ROBERT B. CAMERON P.O. BOX 951741 LOS ANGELES, CA 90095	BOARD MEMBER 7	0.	0.	0.
DR. MICHAEL HARBUT 118 N. WASHINGTON AVE. ROYAL OAK, MI 48067	BOARD MEMBER 7	0.	0.	0.
DR. BRIAN W. LOGGIE 601 N. 30TH ST., STE 3700 OMAHA, NE 68131	BOARD MEMBER 7	0.	0.	0.
SUSAN VENTO 553 DEER RIDGE LANE MAPLEWOOD, MN 55119	BOARD MEMBER 7	0.	0.	0.
DR. NICHOLAS J. VOGELZANG 5481 S. MARYLAND AVE, MC 1140 CHICAGO, IL 60637	BOARD MEMBER 7	0.	0.	0.
ROGER G. WORTHINGTON 26502 AVENIDA LAS PALMAS CAPISTRANO BEACH, CA 92624	PRESIDENT/TREASURER 25	0.	0.	0.
MOUZETTA ZUMWALT-WEATHERS 104 DRYSDALE COURT CARY, NC 27511	BOARD MEMBER 5	0.	0.	0.
MATTHEW P. BERGMAN PO BOX 2010 VASHON, WA 98070	BOARD MEMBER 7	0.	0.	0.
CHRISTOPHER HAHN 1609 GARDEN STREET SANTA BARBARA, CA 93101	EXECUTIVE DIRECTOR 40	104,167.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule ▶  Yes  No

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**Part VI Other Information** **Yes No**

<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<b>76</b>		<b>X</b>
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	<b>77</b>		<b>X</b>
<b>78 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>		<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year? <span style="float:right">N/A</span>	<b>78b</b>		
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<b>79</b>		<b>X</b>
<b>80 a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<b>80a</b>		<b>X</b>
<b>b</b> If "Yes," enter the name of the organization <span style="font-size: 2em;">▶</span> _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
<b>81 a</b> Enter direct or indirect political expenditures See line 81 instructions <span style="float:right"><b>81a</b> 0.</span>			
<b>b</b> Did the organization file Form 1120-POL for this year?	<b>81b</b>		<b>X</b>
<b>82 a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>	<b>X</b>	
<b>b</b> If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) <span style="float:right"><b>82b</b></span>			
<b>83 a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	<b>X</b>	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	<b>X</b>	
<b>84 a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>		<b>X</b>
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? <span style="float:right">N/A</span>	<b>84b</b>		
<b>85 501(c)(4), (5), or (6) organizations. a</b> Were substantially all dues nondeductible by members? <span style="float:right">N/A</span>	<b>85a</b>		
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? <span style="float:right">N/A</span> If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	<b>85b</b>		
<b>c</b> Dues, assessments, and similar amounts from members <span style="float:right"><b>85c</b> N/A</span>			
<b>d</b> Section 162(e) lobbying and political expenditures <span style="float:right"><b>85d</b> N/A</span>			
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <span style="float:right"><b>85e</b> N/A</span>			
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e) <span style="float:right"><b>85f</b> N/A</span>			
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <span style="float:right">N/A</span>	<b>85g</b>		
<b>h</b> If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? <span style="float:right">N/A</span>	<b>85h</b>		
<b>86 501(c)(7) organizations. Enter a</b> Initiation fees and capital contributions included on line 12 <span style="float:right"><b>86a</b> N/A</span>			
<b>b</b> Gross receipts, included on line 12, for public use of club facilities <span style="float:right"><b>86b</b> N/A</span>			
<b>87 501(c)(12) organizations. Enter a</b> Gross income from members or shareholders <span style="float:right"><b>87a</b> N/A</span>			
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <span style="float:right"><b>87b</b> N/A</span>			
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	<b>88</b>		<b>X</b>
<b>89 a 501(c)(3) organizations. Enter</b> Amount of tax imposed on the organization during the year under section 4911 <span style="font-size: 2em;">▶</span> 0., section 4912 <span style="font-size: 2em;">▶</span> 0., section 4955 <span style="font-size: 2em;">▶</span> 0.			
<b>b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction</b>	<b>89b</b>		<b>X</b>
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right"><b>▶</b> 0.</span>			
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization <span style="float:right"><b>▶</b> 0.</span>			
<b>90 a</b> List the states with which a copy of this return is filed <span style="font-size: 2em;">▶</span> CALIFORNIA			
<b>b</b> Number of employees employed in the pay period that includes March 12, 2003 <span style="float:right"><b>90b</b> 1</span>			
<b>91</b> The books are in care of <span style="font-size: 2em;">▶</span> ACCOUNTABILITY PLUS Telephone no <span style="font-size: 2em;">▶</span> (805) 560 8942			
Located at <span style="font-size: 2em;">▶</span> 1522 OLIVE STREET, SANTA BARBARA, CA ZIP + 4 <span style="font-size: 2em;">▶</span> 93101			
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <span style="float:right"><input type="checkbox"/></span> and enter the amount of tax-exempt interest received or accrued during the tax year <span style="float:right"><b>▶</b> 92 N/A</span>			

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12-17-03

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**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	20,488.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		20,488.	0.
105 Total (add line 104, columns (B), (D), and (E))					20,488.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

accompanying schedules and statements, and to the best of my knowledge and belief, it is true,  
all information of which preparer has any knowledge

11/15/04 Date  Christopher E. Hahn Executive Director Type or print name and title

Date Check if self- Preparer's SSN or PTIN

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(a), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**2003**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.** Employer identification number **75 2816066**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions List each one If there are 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 & deferred compensation	(e) Expense account and other allowances
NONE				
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Total number of other employees paid over \$50,000 ▶ 0				

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
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Total number of others receiving over \$50,000 for professional services ▶ 0		

**Part III Statements About Activities** (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) SEE STATEMENT 9	X	
b Do you have a section 403(b) annuity plan for your employees?		X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

THE MESOTHELIOMA APPLIED RESEARCH

Schedule A (Form 990 or 990-EZ) 2003 FOUNDATION, INC.

75-2816066 Page 3

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	588,833.	536,911.	622,626.	46,225.	1,794,595.
16 Membership fees received		0.	0.	0.	
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose		0.	0.	0.	
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	22,992.	34,504.	22,059.	619.	80,174.
19 Net income from unrelated business activities not included in line 18	0.	0.	0.	0.	
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0.	0.	0.	0.	
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.	0.	0.	0.	0.	
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	611,825.	571,415.	644,685.	46,844.	1,874,769.
24 Line 23 minus line 17	611,825.	571,415.	644,685.	46,844.	1,874,769.
25 Enter 1% of line 23	6,118.	5,714.	6,447.	468.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 37,495.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 470,605.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 1,874,769.
d Add: Amounts from column (e) for lines 18 <u>80,174.</u> 19 _____ 22 _____ 26b <u>470,605.</u>					26d 550,779.
e Public support (line 26c minus line 26d total)					26e 1,323,990.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 70.6215%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2002) N/A (2001) _____ (2000) _____ (1999) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2002) _____ (2001) _____ (2000) _____ (1999) _____					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

THE MESOTHELIOMA APPLIED RESEARCH

**Part V Private School Questionnaire** (See page 7 of the instructions)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4.05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

THE MESOTHELIOMA APPLIED RESEARCH

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  a  if the organization belongs to an affiliated group Check  b  if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.
38 Total lobbying expenditures (add lines 36 and 37)	38	0.
39 Other exempt purpose expenditures	39	0.
40 Total exempt purpose expenditures (add lines 38 and 39)	40	0.
41 Lobbying nontaxable amount Enter the amount from the following table -		
If the amount on line 40 is -	The lobbying nontaxable amount is -	
Not over \$500,000	20% of the amount on line 40	} 41 0.
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	0.
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0.
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions )

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting 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 organization to a noncharitable exempt organization of

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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 organization. If the organization 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.

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. All 'No' boxes are checked with an 'X'.

N/A

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. The table is currently empty.

52 a Is the organization 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 (X) No

b If "Yes," complete the following schedule N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. The table is currently empty.

2003 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	MANAGEMENT AND GENERAL SOFTWARE	01/01/00	SL	3.00	16	3,290.			3,290.	3,290.		0.
2	VIDEOTEX OTHER INTANGIBLE ASSETS	01/01/00	DB	7.00	17	764.			764.	428.		96.
3	DELL COMPUTER	01/01/00	SL	5.00	16	2,682.			2,682.	1,200.		400.
4	* 990 PAGE 2 TOTAL											
	MANAGEMENT AND GENERAL					12,736.		0.	12,736.	4,918.	0.	675.
	* GRAND TOTAL 990 PAGE 2 DEPR & AMORT					12,736.		0.	12,736.	4,918.	0.	675.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
PAYROLL TAX PENALTY		1,159.	
TOTAL TO FORM 990, PART I, LINE 20		1,159.	

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
ADVERTISING	6,261.	5,801.	460.		
PUBLIC RELATIONS	5,582.	1,257.		4,325.	
COMPUTER & INTERNET SERVICES	8,908.	7,434.	25.	1,449.	
NEWSLETTER	3,660.	2,416.		1,244.	
OFFICE SUPPLIES	3,910.	2,422.	1,163.	325.	
MEALS	1,121.	340.	111.	670.	
SECRETARIAL & BOOKKEEPING	9,201.	795.	4,766.	3,640.	
SHIPPING & RECEIVING	506.	478.	28.		
EVENT SUPPLIES	4,500.			4,500.	
MISCELLANEOUS	150.		150.		
EDUCATION	50.	50.			
BANK CHARGES	396.		396.		
FILING FEES	110.	21.	87.	2.	
DUES AND SUBSCRIPTIONS	845.	845.			
PROFESSIONAL SERVICES	6,280.	6,280.			
TOTAL TO FM 990, LN 43	51,480.	28,139.	7,186.	16,155.	

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 3

DESCRIPTION OF PROGRAM SERVICE ONE

MAJOR ACCOMP. INCLUDE GROWTH OF MARF RESEARCH GRANT PROGRAM CREATING INCREASED INTL. INTEREST IN MESOTHELIOMA RESEARCH, SCIENTIFIC PEER REVIEW OF 25 PROPOSED RESEARCH PROJECTS, SELECTION AND FUNDING OF 5 NEW PROJ. AND 3 ONGOING PROJECTS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	291,718.	325,437.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 4

DESCRIPTION OF PROGRAM SERVICE TWO

EDUCATION & AWARENESS SERVICES CONSISTING OF PROVIDING PATIENT & FAMILY MEMBERS WITH SUPPORT & INFO RESOURCES ON AVAILABLE TREATMENTS, CLINICAL TRIALS & CENTERS WITH EXPERTISE; DIST. OF ED. BROCHURES; & WEB SITE DEV & MAINTENANCE.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		84,895.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 5

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
MEDICAL RESEARCH	UNIVERSITY OF CHICAGO	CHICAGO, IL	NONE	20,787.
MEDICAL RESEARCH	BRIGHAMS & WOMENS HOSPITAL	BOSTON, MA	NONE	50,000.
MEDICAL RESEARCH	UNIVERSITY OF ALABAMA	BIRMINGHAM, AL	NONE	50,000.
MEDICAL RESEARCH	VANDERBILT UNIVERSITY MED CTR	NASHVILLE, TN	NONE	25,000.
MEDICAL RESEARCH	UNIVERSITY OF CALIFORNIA	LOS ANGELES, CA	NONE	45,931.

MEDICAL RESEARCH	WAKE FOREST UNIVERSITY HEALTH CTR	WINSTON-SALEM, NC	NONE	50,000.
MEDICAL RESEARCH	ERASMUS MEDICAL CENTER	ROTTERDAM, THE NETHERLANDS	NONE	50,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				<u>291,718.</u>

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
BEST BUY STOCK MUNDER INDEX 500 FUND	5,191.				5,191.
				152,252.	152,252.
TO 990, LN 54 COL B	<u>5,191.</u>			<u>152,252.</u>	<u>157,443.</u>

FORM 990 GOVERNMENT SECURITIES STATEMENT 7

DESCRIPTION	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
US TREASURY BONDS	121,948.		121,948.
TOTAL TO FORM 990, LINE 54, COL B	<u>121,948.</u>		<u>121,948.</u>

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SOFTWARE	3,290.	3,290.	0.
VIDEOTEX	764.	524.	240.
OTHER INTANGIBLE ASSETS	6,000.	1,600.	4,400.
DELL COMPUTER	2,682.	179.	2,503.
TOTAL TO FORM 990, PART IV, LN 57	<u>12,736.</u>	<u>5,593.</u>	<u>7,143.</u>

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SCHEDULE A      EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS      STATEMENT      9  
PART III, LINE 3

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THE ORGANIZATION HAS A STANDING COMMITTEE THAT EVALUATES MEDICAL RESEARCH GRANT APPLICATIONS WITH THE PURPOSE OF ENSURING THAT GRANTEEES RECEIVE SUCH GRANTS SPECIFICALLY TO FURTHER THE ORGANIZATION'S CHARITABLE PURPOSE. THE ORGANIZATION ALSO RECEIVES FROM GRANTEEES PERIODIC REPORTS AS TO THE USE OF GRANT MONIES, WHICH ARE REVIEWED TO ENSURE USE OF FUNDS FOR THEIR INTENDED PURPOSE.

**Depreciation and Amortization** 990  
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return <b>THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.</b>	Business or activity to which this form relates <b>FORM 990 PAGE 2</b>	Identifying number <b>75-2816066</b>
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**Part I Election To Expense Certain Tangible Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount. See instructions for a higher limit for certain businesses	<b>1</b>	100,000.
2 Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
3 Threshold cost of section 179 property before reduction in limitation	<b>3</b>	400,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	<b>5</b>	
<b>6</b> (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	<b>7</b>	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	<b>8</b>	
9 Tentative deduction. Enter the smaller of line 5 or line 8	<b>9</b>	
10 Carryover of disallowed deduction from line 13 of your 2002 Form 4562	<b>10</b>	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	<b>11</b>	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	
13 Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12	<b>13</b>	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	<b>14</b>	
15 Property subject to section 168(f)(1) election (see instructions)	<b>15</b>	
16 Other depreciation (including ACRS) (see instructions)	<b>16</b>	179.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2003	<b>17</b>	96.
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs.		S/L	
<b>h</b> Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
<b>i</b> Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

**Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System**

<b>20a</b> Class life						
<b>b</b> 12-year			12 yrs.		S/L	
<b>c</b> 40-year	/		40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28	<b>21</b>	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	<b>22</b>	275.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See instructions for limits for passenger automobiles.)

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1								<b>29</b>

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles)												
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven												
<b>33</b> Total miles driven during the year. Add lines 30 through 32												
<b>34</b> Was the vehicle available for personal use during off-duty hours?												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?												
<b>36</b> Is another vehicle available for personal use?												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
<b>39</b> Do you treat all use of vehicles by employees as personal use?		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? <b>Note:</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
<b>42</b> Amortization of costs that begins during your 2003 tax year:						
<b>43</b> Amortization of costs that began before your 2003 tax year					<b>43</b>	400.
<b>44</b> Total. Add amounts in column (f). See instructions for where to report					<b>44</b>	400.

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

## Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

**Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only**   
*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041*

Type or print  File by the due date for filing your return See instructions	Name of Exempt Organization <b>THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.</b>	Employer identification number <b>75-2816066</b>
	Number, street, and room or suite no. If a P O box, see instructions. <b>1609 GARDEN STREET</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SANTA BARBARA, CA 93101</b>	

Check type of return to be filed (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **AUGUST 16, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year **2003** or  
 ▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2 If this tax year is for less than 12 months, check reason.  Initial return  Final return  Change in accounting period

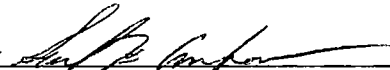
3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶  Title ▶ **CPA** Date ▶ **5/17/04**  
 LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.
Type or print: Name of Exempt Organization THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
Employer identification number 75-2816066
Number, street, and room or suite no. If a P.O. box, see instructions. 1609 GARDEN STREET
City, town or post office, state, and ZIP code. For a foreign address, see instructions. SANTA BARBARA, CA 93101

Check type of return to be filed (File a separate application for each return):

- Form 990 (checked), Form 990-EZ, Form 990-T (sec 401(a) or 408(a) trust), Form 1041-A, Form 5227, Form 8870, Form 990-BL, Form 990-PF, Form 990-T (trust other than above), Form 4720, Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)
If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 2004.
5 For calendar year 2003, or other tax year beginning and ending
6 If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO GATHER ALL INFORMATION NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions
8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868
8c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature: [Signature] Title: CPA Date: 8/2/04

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
Other

EXTENSION APPROVED
SUBMITTED TO JUDITH...
8/2/04

Director By Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print: Name MACFARLANE, FALETTI & CO. LLP
Number and street (include suite, room, or apt. no.) Or a P.O. box number 115 E. MICHELTORANA ST. #200
City or town, province or state, and country (including postal or ZIP code) SANTA BARBARA, CA 93101

Form **5768**

(Rev. December 1996)

Department of the Treasury  
Internal Revenue Service**Election/Revocation of Election by an Eligible  
Section 501(c)(3) Organization To Make  
Expenditures To Influence Legislation****(Under Section 501(h) of the Internal Revenue Code)**For IRS  
Use Only ▶

Name of organization <b>THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC</b>	Employer identification number <b>75-2816066</b>
Number and street (or P O box no., if mail is not delivered to street address) <b>1609 GARDEN STREET</b>	Room/suite

City, town or post office, and state

**SANTA BARBARA, CA 93101**

ZIP + 4

**1 Election** — As an eligible organization, we hereby elect to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending DECEMBER 31, 2004 and all subsequent tax years until revoked  
(Month, day, and year)

**Note:** This election must be signed and postmarked within the first taxable year to which it applies

**2 Revocation** — As an eligible organization, we hereby revoke our election to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending \_\_\_\_\_ and all subsequent tax years until revoked  
(Month, day, and year)

**Note:** This revocation must be signed and postmarked before the first day of the tax year to which it applies

Under penalties of perjury, I declare that I am authorized to make this (check applicable box)  election  revocation on behalf of the above named organization

Christopher E. Hahn (Signature of officer or trustee) Christopher E. Hahn Executive Director (Type or print name and title) 11/15/04 (Date)

**General Instructions**

Section references are to the Internal Revenue Code

Section 501(c)(3) states that an organization exempt under that section will lose its tax-exempt status and its qualification to receive deductible charitable contributions if a substantial part of its activities are carried on to influence legislation. Section 501(h), however, permits certain eligible 501(c)(3) organizations to elect to make limited expenditures to influence legislation. An organization making the election will, however, be subject to an excise tax under section 4911 if it spends more than the amounts permitted by that section. Also, the organization may lose its exempt status if its lobbying expenditures exceed the permitted amounts by more than 50% over a 4-year period. For any tax year in which an election under section 501(h) is in effect, an electing organization must report the actual and permitted amounts of its lobbying expenditures and grass roots expenditures (as defined in section 4911(c)) on its annual return required under section 6033. See Schedule A (Form 990). Each electing member of an affiliated group must report these amounts for both itself and the affiliated group as a whole.

To make or revoke the election, enter the ending date of the tax year to which the election or revocation applies in item 1 or 2, as applicable, and sign and date the form in the spaces provided.

**Eligible Organizations.** — A section 501(c)(3) organization is permitted to make the election if it is not a disqualified organization (see below) and is described in

1. Section 170(b)(1)(A)(ii) (relating to educational institutions),
2. Section 170(b)(1)(A)(iii) (relating to hospitals and medical research organizations),
3. Section 170(b)(1)(A)(iv) (relating to organizations supporting government schools),
4. Section 170(b)(1)(A)(vi) (relating to organizations publicly supported by charitable contributions),
5. Section 509(a)(2) (relating to organizations publicly supported by admissions, sales, etc.), or
6. Section 509(a)(3) (relating to organizations supporting certain types of public charities other than those section 509(a)(3) organizations that support section 501(c)(4), (5), or (6) organizations)

**Disqualified Organizations.** — The following types of organizations are not permitted to make the election

- a. Section 170(b)(1)(A)(i) organizations (relating to churches),
- b. An integrated auxiliary of a church or of a convention or association of churches, or
- c. A member of an affiliated group of organizations if one or more members of such group is described in a or b of this paragraph.

**Affiliated Organizations.** — Organizations are members of an affiliated group of organizations only if (1) the governing instrument of one such organization requires it to be bound by the decisions of the other organization on legislative issues, or (2) the governing board of one such organization includes persons (i) who are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and (ii) who, by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

For more details, see section 4911 and section 501(h).

**Note:** A private foundation (including a private operating foundation) is not an eligible organization.

**Where To File.** — Mail Form 5768 to the Internal Revenue Service Center, Ogden, UT 84201-0027.