

Return of Organization Exempt From Income Tax

2007

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 2007 calendar year, or tax year beginning and ending

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C Name of organization: THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC. D Employer identification number: 75-2816066. E Telephone number: 805-563-8400. F Accounting method: X Cash, Accrual.

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.

G Website: HTTP://WWW.CUREMESO.ORG

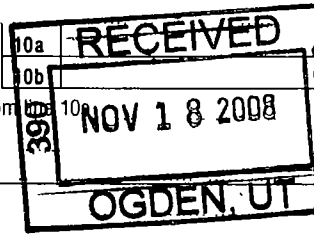
J Organization type: X 501(c)(3) (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 1,805,086. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 9 Special events and activities; 10a Gross sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.



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**THE MESOTHELIOMA APPLIED RESEARCH  
FOUNDATION, INC.**

Form 990 (2007)

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**Part II Statement of Functional Expenses**

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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> <b>22a</b>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <u>974,223</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input checked="" type="checkbox"/> <b>22b</b>	<b>974,223.</b>	<b>974,223.</b>	<b>STATEMENT 2</b>	
<b>23</b> Specific assistance to individuals (attach schedule) <b>23</b>				
<b>24</b> Benefits paid to or for members (attach schedule) <b>24</b>				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A <b>25a</b>	<b>195,066.</b>	<b>161,905.</b>	<b>17,556.</b>	<b>15,605.</b>
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B <b>25b</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <b>25c</b>				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c <b>26</b>	<b>243,071.</b>	<b>155,795.</b>	<b>36,415.</b>	<b>50,861.</b>
<b>27</b> Pension plan contributions not included on lines 25a, b, and c <b>27</b>	<b>6,853.</b>	<b>4,361.</b>	<b>1,037.</b>	<b>1,455.</b>
<b>28</b> Employee benefits not included on lines 25a - 27 <b>28</b>	<b>9,383.</b>	<b>5,952.</b>	<b>1,426.</b>	<b>2,005.</b>
<b>29</b> Payroll taxes <b>29</b>	<b>28,769.</b>	<b>20,768.</b>	<b>3,573.</b>	<b>4,428.</b>
<b>30</b> Professional fundraising fees <b>30</b>				
<b>31</b> Accounting fees <b>31</b>	<b>20,033.</b>	<b>4,008.</b>	<b>15,023.</b>	<b>1,002.</b>
<b>32</b> Legal fees <b>32</b>				
<b>33</b> Supplies <b>33</b>				
<b>34</b> Telephone <b>34</b>	<b>9,212.</b>	<b>7,553.</b>	<b>448.</b>	<b>1,211.</b>
<b>35</b> Postage and shipping <b>35</b>	<b>13,128.</b>	<b>11,405.</b>	<b>482.</b>	<b>1,241.</b>
<b>36</b> Occupancy <b>36</b>	<b>38,277.</b>	<b>32,411.</b>	<b>2,737.</b>	<b>3,129.</b>
<b>37</b> Equipment rental and maintenance <b>37</b>				
<b>38</b> Printing and publications <b>38</b>	<b>33,043.</b>	<b>10,772.</b>	<b>3,858.</b>	<b>18,413.</b>
<b>39</b> Travel <b>39</b>	<b>35,448.</b>	<b>20,112.</b>	<b>6,996.</b>	<b>8,340.</b>
<b>40</b> Conferences, conventions, and meetings <b>40</b>				
<b>41</b> Interest <b>41</b>				
<b>42</b> Depreciation, depletion, etc (attach schedule) <b>42</b>	<b>2,910.</b>	<b>2,910.</b>		
<b>43</b> Other expenses not covered above (itemize). <b>a</b> _____ <b>43a</b> <b>b</b> _____ <b>43b</b> <b>c</b> _____ <b>43c</b> <b>d</b> _____ <b>43d</b> <b>e</b> _____ <b>43e</b> <b>f</b> _____ <b>43f</b> <b>g</b> <b>SEE STATEMENT 1</b> <b>43g</b>	<b>398,773.</b>	<b>349,918.</b>	<b>23,885.</b>	<b>24,970.</b>
<b>44</b> <b>Total functional expenses</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) <b>44</b>	<b>2,008,189.</b>	<b>1,762,093.</b>	<b>113,436.</b>	<b>132,660.</b>

**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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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Form 990 (2007)

**THE MESOTHELIOMA APPLIED RESEARCH  
FOUNDATION, INC.**

Form 990 (2007)

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**Part III Statement of Program Service Accomplishments** (See the instructions)

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.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 3</u>	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
<b>a</b> <u>GROWTH OF RESEARCH GRANT PROGRAM CREATING INCREASED INTL. INTEREST IN MESO RESEARCH, SCIENTIFIC PEER REVIEW OF 40 PROPOSED PROJECTS, SELECTION AND FUNDING OF 10 NEW PROJ. AND 10 ONGOING PROJECTS; ANNUAL RESEARCH AND EDUCATION SYMPOSIUM.</u>	
(Grants and allocations \$ <u>974,223.</u> ) If this amount includes foreign grants, check here ► <input checked="" type="checkbox"/>	<u>1,030,150.</u>
<b>b</b> <u>EDUCATION &amp; AWARENESS SERVICE CONSISTING OF PROVIDING PATIENTS &amp; FAMILIES WITH SUPPORT &amp; INFO ON RESEARCH, AVAILABLE TREATMENTS, CLINICAL TRIALS &amp; CENTERS WITH EXPERTISE; SYMPOSIUM; DIST. OF ED. BROCHURES; WEB SITE DEV &amp; MAINTENANCE.</u>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<u>465,556.</u>
<b>c</b> <u>ADVOCACY SERVICES - WORKED INTENSELY TO EDUCATE FEDERAL LEADERS ON NEED FOR FEDERAL MESOTHELIOMA RESEARCH FUNDING &amp; ON THE DETAILS OF AN EFFECTIVE FEDERAL MESOTHELIOMA RESEARCH PROGRAM.</u>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	<u>266,387.</u>
<b>d</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule)	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f</b> <u>Total of Program Service Expenses</u> (should equal line 44, column (B), Program services) ►	<u>1,762,093.</u>

Form **990** (2007)

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**Part IV Balance Sheets** (See the instructions)

**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
<b>Assets</b>	45 Cash - non-interest-bearing	76,000.	45	504,049.
	46 Savings and temporary cash investments	717,327.	46	
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b		47c
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			50b
	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 a Investments - publicly-traded securities STMT 5 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	1,341,735.	54a	1,404,223.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment basis STMT 4	55a			
b Less accumulated depreciation	55b		55c	
56 Investments - other		0.	56	0.
57 a Land, buildings, and equipment basis	57a	23,737.		
b Less accumulated depreciation STMT 6	57b	13,237.		
58 Other assets, including program-related investments (describe <input type="checkbox"/> _____)		11,152.	57c	10,500.
58			58	
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58		2,146,214.	59	1,918,772.
<b>Liabilities</b>	60 Accounts payable and accrued expenses		60	
	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 <input type="checkbox"/> SEE STATEMENT 7 )		36,165.	65
66 <b>Total liabilities.</b> Add lines 60 through 65		36,165.	66	11,826.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <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	
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds	661,865.	70	465,071.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	1,448,184.	72	1,441,875.
	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 and column (B) must equal line 21)		2,110,049.	73
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		2,146,214.	74	1,918,772.

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**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	1,885,360.
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1	-19,726.	
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify): <u>PLEDGES RECEIVABLE</u>	b4	100,000.	
	Add lines b1 through b4			b 80,274.
c	Subtract line b from line a			c 1,805,086.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2			d 0.
e	<b>Total revenue</b> (Part I, line 12) Add lines c and d			e 1,805,086.

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

a	Total expenses and losses per audited financial statements		a	2,065,046.
b	Amounts included on line a but not on Part I, line 17			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify): <u>SEE STATEMENT 8</u>	b4	56,857.	
	Add lines b1 through b4			b 56,857.
c	Subtract line b from line a			c 2,008,189.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2			d 0.
e	<b>Total expenses</b> (Part I, line 17) Add lines c and d			e 2,008,189.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See 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 & deferred compensation plans	(E) Expense account and other allowances
LATANYTA MANUEL 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	BOARD MEMBER 2.00	0.	0.	0.
HARVEY PASS 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	BOARD MEMBER 2.00	0.	0.	0.
MARY COSENTINO 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	BOARD MEMBER 2.00	0.	0.	0.
DR. NICHOLAS J. VOGELZANG 5481 S. MARYLAND AVE, MC 1140 CHICAGO, IL 60637	CHAIRMAN 2.00	0.	0.	0.
DR. J. ULF JUNGNELIUS 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	TREASURER 2.00	0.	0.	0.
SUSAN VENTO 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	BOARD MEMBER 2.00	0.	0.	0.
ANN ABBE 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	SECRETARY 2.00	0.	0.	0.
CHRISTOPHER HAHN 3944 STATE STREET, SUITE 340 SANTA BARBARA, CA 93101	EXECUTIVE DIRECTOR 40.00	182,039.	13,027.	0.

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<b>Part VI Other Information</b> <i>(continued)</i>		Yes	No
82 a 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?	82a	X	
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)	82b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85 a 501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	85a		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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	85b		
c Dues, assessments, and similar amounts from members	85c		
d Section 162(e) lobbying and political expenditures	85d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
h 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?	85h		
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a		
b Gross receipts, included on line 12, for public use of club facilities	86b		
87 501(c)(12) organizations Enter a Gross income from members or shareholders	87a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b		
88 a 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	88a		X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b		X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>			
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	89b		X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>			
d Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>			
e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X
90 a List the states with which a copy of this return is filed <u>CA</u>			
b Number of employees employed in the pay period that includes March 12, 2007	90b		5
91 a The books are in care of <u>ACCOUNTABILITY PLUS</u> Telephone no. <u>(805) 560 8942</u> Located at <u>1517 CHAPALA STREET, SANTA BARBARA, CA</u> ZIP + 4 <u>93101</u>			
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b		X

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**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c    
 If "Yes," enter the name of the foreign country ▶ N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶   
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 | N/A

**Part VII Analysis of Income-Producing Activities** (See 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>SYMPOSIUM FEES</b>					232,450.
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			14	14,067.	
96 Dividends and interest from securities			14	136,623.	
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.	150,690.	232,450.
105 Total (add line 104, columns (B), (D), and (E))					383,140.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See 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).

93A NET REGISTRATION INCOME FROM PARTICIPANTS TO FURTHER THE SCIENTIFIC  
 93A RESEARCH & DEVELOPMENT AND AWARENESS AT THE SYMPOSIUM.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See 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 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)

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**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
<b>Totals</b>						

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
<b>Totals</b>						

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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

Please Sign Here: *Christopher E. Hahn* Signature of officer | 11/13/08 Date  
 Type or print name and title: **CHRISTOPHER E. HAHN Executive Director**

Paid Preparer's Use Only: Preparer's signature: *[Signature]* | Date: 11/10/08 | Check if self-employed:  | Preparer's SSN or PTIN (See Gen Inst X): P00161949  
 Firm's name (or yours if self-employed), address, and ZIP + 4: **MACFARLANE, FALETTI & CO. LLP**  
**115 E. MICHELTORANA ST. #200**  
**SANTA BARBARA, CA 93101**  
 EIN: | Phone no.: **805 966-4157**

Form 990 (2007)

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

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

OMB No 1545-0047

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

**2007**

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
<u>ROBERT J. GRIJALVA</u> <u>3944 STATE ST., SUITE 340, SANTA BARB</u>	<u>ASST DIRECTOR</u> <u>40.00</u>	<u>73,105.</u>	<u>5,881.</u>	
<u>MARY E. HESDORFFER</u> <u>3944 STATE ST., SUITE 340, SANTA BARB</u>	<u>STAFF</u> <u>40.00</u>	<u>53,276.</u>	<u>1,238.</u>	
<u>MAJA MELAMARIC</u> <u>3944 STATE ST., SUITE 340, SANTA BARB</u>	<u>STAFF</u> <u>40.00</u>	<u>48,730.</u>	<u>3,946.</u>	
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Total number of other employees paid over \$50,000 ▶	<u>0</u>			

**Part II-A 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
<u>NONE</u>		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services ▶	<u>0</u>	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>NEIMAND COLLABORATIVE</u> <u>1025 VERMONT AVE NW, #830, WASHINGTON, DC 20005</u>	<u>GOVERNMENT RELATIONS</u>	<u>114,500.</u>
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Total number of other contractors receiving over \$50,000 for other services ▶	<u>0</u>	

THE MESOTHELIOMA APPLIED RESEARCH

**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 ► \$ _____ \$ <u>114,500.</u> (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-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) SEE STATEMENT 10	X	
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

**THE MESOTHELIOMA APPLIED RESEARCH  
FOUNDATION, INC.**

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I                       Type II                       Type III-Functionally Integrated                       Type III-Other

**Provide the following information about the supported organizations** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					<b>▶</b>

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions)

THE MESOTHELIOMA APPLIED RESEARCH

**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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,975,044.	1,680,989.	1,443,869.	488,838.	5,588,740.
16 Membership fees received					
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	275,026.	343,725.	35,258.		654,009.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	74,417.	36,169.	17,890.	20,488.	148,964.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,324,487.	2,060,883.	1,497,017.	509,326.	6,391,713.
24 Line 23 minus line 17	2,049,461.	1,717,158.	1,461,759.	509,326.	5,737,704.
25 Enter 1% of line 23	23,245.	20,609.	14,970.	5,093.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 114,754.
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return Enter the total of all these excess amounts					26b 1,561,306.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 5,737,704.
d Add: Amounts from column (e) for lines: 18 148,964. 19 _____ 22 _____ 26b 1,561,306.					26d 1,710,270.
e Public support (line 26c minus line 26d total)					26e 4,027,434.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 70.1924%
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: N/A					
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 11b, 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: N/A					
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 2003 through 2006, 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.

NONE

**THE MESOTHELIOMA APPLIED RESEARCH**

**Part V** . **Private School Questionnaire** (See page 9 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.)		
_____			
_____			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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.)		
_____			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
_____			
_____			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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		

THE MESOTHELIOMA APPLIED RESEARCH

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 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
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	0.	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	0.	114,500.
38	Total lobbying expenditures (add lines 36 and 37)	0.	114,500.
39	Other exempt purpose expenditures	0.	1,767,002.
40	Total exempt purpose expenditures (add lines 38 and 39)	0.	1,881,502.
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 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	0.	244,075.
42	Grassroots nontaxable amount (enter 25% of line 41)	0.	61,019.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	0.	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	0.	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 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	244,075.	242,899.	225,863.	0.	712,837.
46					1,069,256.
47	114,500.	82,500.	10,000.	0.	207,000.
48	61,019.	60,725.	56,466.	0.	178,210.
49					267,315.
50				0.	0.

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

(For reporting only by organizations that did not complete Part VI-A) (See page 14 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:

- 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 )

Yes	No	Amount
		0.

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



Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
<b>FIXED ASSETS</b>								
1	<b>SOFTWARE</b>							
	010100	SL	3.00	16	3,290.		3,290.	0.
2	<b>VIDEOTEX</b>							
	010100	200DB	7.00	17	764.		730.	34.
4	<b>DELL COMPUTER</b>							
	082503	SL	5.00	16	2,682.		1,787.	536.
5	<b>LAPTOP COMPUTER</b>							
	070104	SL	5.00	16	1,560.		780.	312.
9	<b>FURNITURE</b>							
	070105	SL	5.00	16	1,454.		436.	291.
10	<b>DELL COMPUTER</b>							
	070105	SL	5.00	16	1,682.		504.	336.
11	<b>2006 COMPUTER</b>							
	123106	SL	5.00	16	3,551.			710.
12	<b>2006 FURNITURE</b>							
	123106	SL	5.00	16	496.			99.
16	<b>HP LAPTOP</b>							
	072407	SL	5.00	16	778.			69.
17	<b>INTERNET SERVER</b>							
	081007	SL	5.00	16	1,480.			123.
	<b>* 990 PAGE 2 TOTAL - FIXED ASSETS</b>							
					17,737.	0.	7,527.	2,510.
<b>INTANGIBLE ASSETS</b>								
3	<b>OTHER INTANGIBLE ASSETS</b>							
	010100		180M	43	6,000.		2,800.	400.
	<b>* 990 PAGE 2 TOTAL - INTANGIBLE ASSETS</b>							
					6,000.	0.	2,800.	400.
	<b>* GRAND TOTAL 990 PAGE 2 DEPR &amp; AMORT</b>							
					23,737.	0.	10,327.	2,910.

FORM 990

OTHER EXPENSES

STATEMENT 1

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
WORKERS COMP	7,124.	5,143.	885.	1,096.
COMPUTER AND INTERNET	22,163.	14,801.	167.	7,195.
ADVERTISING AND MARKETING	28,879.	26,647.	672.	1,560.
STIPENDS	3,500.	3,500.		
FILING FEES	532.		532.	
NEWSLETTER	37,070.	24,491.		12,579.
OFFICE SUPPLIES	6,806.	5,503.	633.	670.
BANK SERVICE CHARGES	4,913.	663.	4,250.	0.
MEALS	6,008.	4,670.	716.	622.
LEGISLATIVE COUNSEL	114,500.	114,500.		
MISCELLANEOUS	2,169.	1,817.	162.	190.
PROFESSIONAL FEES	21,158.	4,232.	15,868.	1,058.
EVENT LOCATION RENTAL	126,686.	126,686.		
EVENT SUPPLIES	17,265.	17,265.		
TOTAL TO FM 990, LN 43	398,773.	349,918.	23,885.	24,970.

FORM 990

CASH GRANTS AND ALLOCATIONS  
TO OTHERS

STATEMENT 2

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
MEDICAL RESEARCH DEBORAH ALTOMARE 333 COTTMAN AVENUE PHILADELPHIA, PA 19111	50,000.
MEDICAL RESEARCH V. COURTNEY BROADDUS 1001 POTERO AVE. BLDG 1, ROOM 150 SAN FRANCISCO, CA 94110	50,000.
MEDICAL RESEARCH FARIS FARASSATI 420 DELAWARE STREET, SE MINNEAPOLIS, MN 55455	50,000.
MEDICAL RESEARCH ALLA IVANOVA 550 FIRST AVE SKIRBALL 9V NEW YORK, NY 10016	48,500.
MEDICAL RESEARCH LEE M, KRUG 1275 YORK AVE NEW YORK, NY 10021	50,000.
MEDICAL RESEARCH STEPHEN M. LEVIN 1 GUSTAVE L. LEVY PLACE NEW YORK, NY 10029	49,008.
MEDICAL RESEARCH BIN LIU 1001 POTERO AVE. BLDG 1, ROOM 150 SAN FRANCISCO, CA 94110	50,000.
MEDICAL RESEARCH BROOKE T. MOSSMAN 89 BEAUMONT AVE BURLINGTON, VT 05405	50,000.
MEDICAL RESEARCH ANIL WALI 623 HWCRC, 4100 JOHN R. DETROIT, MI 48201	49,453.

MEDICAL RESEARCH GUAN-HUI XIAO 333 COTTMAN AVENUE PHILADELPHIA, PA 19111	50,000.
MEDICAL RESEARCH SUNIL SHARMA 10441 WEST TWAIN AVENUE LAS VEGAS, NY 89144	20,000.
MEDICAL RESEARCH ROBERT KRATZKE 420 DELAWARE STREET, SE MINNEAPOLIS, MN 55455	50,000.
MEDICAL RESEARCH RAMASAMY JAGADEESWARAN 5841 SOUTH MARYLAND AVE. MC2115 CHICAGO, IL 60637	50,000.
MEDICAL RESEARCH RAVI SALGIA 5841 SOUTH MARYLAND AVE. MC2115 CHICAGO, IL 60637	50,000.
MEDICAL RESEARCH DAVID GOLDMAN 1300 MORRIS PARK AVENUE BRONX, NY 10461	50,000.
MEDICAL RESEARCH ALAIN BORCZUK 630 WEST 168TH ST VC14-215 NEW YORK, NY 10032	50,000.
MEDICAL RESEARCH ADI GAZDAR 5323 HARRY HINES BLVD, NB8.206 DALLAS, TX 75390-8593	50,000.
MEDICAL RESEARCH CARMEN MARSIT 70 SHIP STREET, ROOM 537 PROVIDENCE, RI 2903	48,972.
MEDICAL RESEARCH MITCHELL HO BLDG 37 RM 5116 BETHESDA, MD 20892	10,000.

MEDICAL RESEARCH  
 SERGEY IVANOV  
 462 FIRST AVE, BELLEVUE HOSPITAL, ROOM 15N20  
 NEW YORK, NY 10016

50,000.

MEDICAL RESEARCH  
 MARC DE PERROT  
 8TH HYDOR BUILDING, 700 UNIVERSITY AVE.  
 TORONTO, ON M5G1Z5 CANADA

48,290.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B

974,223.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3  
 PART III

EXPLANATION

PROMOTE MESOTHELIOMA (CANCER) RESEARCH, EDUCATION AND AWARENESS.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 4

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CERTIFICATES OF DEPOSIT	COST			97,000.	97,000.
MUTUAL FUNDS	COST			920,469.	920,469.
EQUITIES	COST	31,754.			31,754.
CORPORATE BONDS	COST		150,000.		150,000.
TO FORM 990, LINE 54A, COL B		31,754.	150,000.	1,017,469.	1,199,223.

FORM 990 GOVERNMENT SECURITIES STATEMENT 5

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
GOVERNMENT SECURITIES	COST	205,000.		205,000.
TOTAL TO FORM 990, LINE 54A, COL B		205,000.		205,000.

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**FORM 990**                      **DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT**                      **STATEMENT**                      **6**


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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SOFTWARE	3,290.	3,290.	0.
VIDEOTEX	764.	764.	0.
OTHER INTANGIBLE ASSETS	6,000.	3,200.	2,800.
DELL COMPUTER	2,682.	2,323.	359.
LAPTOP COMPUTER	1,560.	1,092.	468.
FURNITURE	1,454.	727.	727.
DELL COMPUTER	1,682.	840.	842.
2006 COMPUTER	3,551.	710.	2,841.
2006 FURNITURE	496.	99.	397.
HP LAPTOP	778.	69.	709.
INTERNET SERVER	1,480.	123.	1,357.
<b>TOTAL TO FORM 990, PART IV, LN 57</b>	<b>23,737.</b>	<b>13,237.</b>	<b>10,500.</b>

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**FORM 990**                                      **OTHER LIABILITIES**                                      **STATEMENT**                      **7**


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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
CREDIT CARD PAYABLE	34,815.	6,382.
PAYROLL TAXES PAYABLE	1,350.	5,444.
<b>TOTAL TO FORM 990, PART IV, LINE 65</b>	<b>36,165.</b>	<b>11,826.</b>

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**FORM 990**                                      **OTHER EXPENSES NOT INCLUDED ON FORM 990**                                      **STATEMENT**                      **8**


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DESCRIPTION	AMOUNT
CURRENT YEAR GRANTS PAYABLE	50,000.
CHANGE IN ACCRUAL TO CASH EXPENSE-OCCUPANCY	824.
CHANGE IN ACCRUAL TO CASH EXPENSE-COMPUTER AND INTERNET	6,033.
<b>TOTAL TO FORM 990, PART IV-B</b>	<b>56,857.</b>

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FOOTNOTES

STATEMENT 9

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990 SCHEDULE A, PART VI-A, PAGE 6

THERE ARE NO NUMBERS ENTERED FOR THE  
YEAR 2004 AS THERE WERE NO LOBBYING  
EXPENSES IN THAT YEAR.

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SCHEDULE A      EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS      STATEMENT 10  
PART III, LINE 3A

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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.

Form 4562

Depreciation and Amortization 990 (Including Information on Listed Property)

OMB No 1545-0172

2007

Attachment Sequence No 67

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.

FORM 990 PAGE 2

75-2816066

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

Table with 5 rows for Section 179 election. Line 1: 125,000. Line 3: 500,000.

Table with 3 columns: (a) Description of property, (b) Cost (business use only), (c) Elected cost. Rows 6-7.

Table with 13 rows for Section 179 calculation. Line 7: 34. Line 13: 2,476.

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)

Table with 3 rows for Special Depreciation Allowance. Line 16: 2,476.

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

Section A

Table with 2 rows for Section A. Line 17: 34. Line 18: checkbox.

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i.

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

Table with 3 rows for Section C. Line 20a: Class life. Line 20b: 12-year. Line 20c: 40-year.

Part IV Summary (see instructions)

Table with 3 rows for Part IV Summary. Line 21: 21. Line 22: 2,510. Line 23: 778.

710251 11-03-07 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2007)

• 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)

<b>Part II Additional (Not Automatic) 3-Month Extension of Time.</b> You must file original and one copy		
Type or print File by the extended due date for filing the 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>3944 STATE STREET, SUITE 340</b>	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>SANTA BARBARA, CA 93105</b>	

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

- Form 990   
  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.**

• The books are in the care of **ACCOUNTABILITY PLUS**  
 Telephone No **(805) 560 8942** FAX No \_\_\_\_\_

• 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 is for

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2008**

5 For calendar year **2007**, 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 NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> 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>8a</b>	\$
<b>b</b> 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	<b>8b</b>	\$
<b>c Balance Due.</b> 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	<b>8c</b>	\$ <b>N/A</b>

**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 **CPA** Title **CPA** Date

MACFARLANE, FALETTI & CO. LLP

115 E. MICHELTORENA ST. #200

SANTA BARBARA, CA 93101

**THE MESOTHELIOMA APPLIED RESEARCH  
FOUNDATION, INC.**

Form 4562 (2007)

75-2816066 Page 2

**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 the instructions for limits for passenger automobiles )**

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> 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
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

**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

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

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 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?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

**Note:** 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
42 Amortization of costs that begins during your 2007 tax year					
43 Amortization of costs that began before your 2007 tax year				43	400.
44 Total. Add amounts in column (f) See the instructions for where to report				44	400.