

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

2007

Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2007, or tax year beginning _____, and ending _____

G Check all that apply Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE IARA LEE & GEORGE GUND III FOUNDATION	A Employer identification number 91-2146075
	Number and street (or P O box number if mail is not delivered to street address) Room/suite C/O T SUNIVILLE, 39 MESA ST, THE PRESIDIO 300	B Telephone number (415) 561-3100
	City or town, state, and ZIP code SAN FRANCISCO, CA 94129	C If exemption application is pending, check here <input type="checkbox"/>

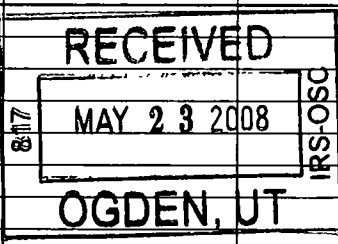
H Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 426,025.** (Part I, column (d) must be on cash basis.)

J Accounting method Cash Accrual
 Other (specify) _____

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	489,433.		N/A	
2 Check <input type="checkbox"/> If the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	12,040.	12,040.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	623,466.			
b Gross sales price for all assets on line 6a	624,950.			
7 Capital gain net income (from Part IV, line 2)		623,466.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total. Add lines 1 through 11	1,124,939.	635,506.		
13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees STMT 2	1,645.	0.		0.
b Accounting fees				
c Other professional fees				
17 Interest				
18 Taxes STMT 3	21,719.	0.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses STMT 4	3,954.	99.		274.
24 Total operating and administrative expenses. Add lines 13 through 23	27,318.	99.		274.
25 Contributions, gifts, grants paid	548,500.			548,500.
26 Total expenses and disbursements. Add lines 24 and 25	575,818.	99.		548,774.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	549,121.			
b Net investment income (if negative, enter -0-)		635,407.		
c Adjusted net income (if negative, enter -0-)			N/A	



SCANNED MAY 27 2008

THE IARA LEE & GEORGE GUND III
FOUNDATION

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	118,432.	179,604.	179,604.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 5	370,725.	258,465.	246,421.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis				
Less: accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis				
Less: accumulated depreciation				
15 Other assets (describe)				
16 Total assets (to be completed by all filers)	489,157.	438,069.	426,025.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	489,157.	438,069.		
30 Total net assets or fund balances	489,157.	438,069.		
31 Total liabilities and net assets/fund balances	489,157.	438,069.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	489,157.
2 Enter amount from Part I, line 27a	2	549,121.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	1,038,278.
5 Decreases not included in line 2 (itemize) STOCK BASIS ADJ (DONOR BASIS VS. FMV)	5	600,209.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	438,069.

THE IARA LEE & GEORGE GUND III
FOUNDATION

Form 990-PF (2007)

91-2146075 Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a PUBLICLY TRADED SECURITIES				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 624,950.		1,484.	623,466.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a			623,466.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	623,466.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8		3	N/A	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2006	635,765.	417,917.	1.521271
2005	579,500.	213,266.	2.717264
2004			
2003			
2002			
2 Total of line 1, column (d)			2 4.238535
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 2.119268
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5			4 383,201.
5 Multiply line 4 by line 3			5 812,106.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 6,354.
7 Add lines 5 and 6			7 818,460.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions			8 548,774.

THE IARA LEE & GEORGE GUND III

Form 990-PF (2007)

FOUNDATION

91-2146075

Page 4

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	1	12,708.
3	Add lines 1 and 2	2	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	3	12,708.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0.
6	Credits/Payments	5	12,708.
a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	14,000.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	14,000.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,292.
11	Enter the amount of line 10 to be Credited to 2008 estimated tax	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

Form 990-PF (2007)

Part VII-A Statements Regarding Activities (continued)

11a	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
11b	b If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?	N/A	
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X	
14	The books are in care of ▶ THOMAS G. SUNIVILLE Telephone no ▶ (415) 561-3109 Located at ▶ 39MESA ST, STE 300, THE PRESIDIO, SAN FRANCISCO, CA ZIP+4 ▶ 94129		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15		<input type="checkbox"/>

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007?		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2007 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2007.)		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007?		X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If "Yes," attach the statement required by Regulations section 53.4945-5(d). N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
If you answered "Yes" to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
IARA LEE 39 MESA ST, STE 300, THE PRESIDIO SAN FRANCISCO, CA 94129	DIRECTOR, PRESIDENT 25.00	0.	0.	0.
GEORGE GUND III 39 MESA ST, STE 300, THE PRESIDIO SAN FRANCISCO, CA 94129	DIRECTOR, SR VICE PRESIDENT 10.00	0.	0.	0.
GEORGE GUND IV 39 MESA ST, STE 300, THE PRESIDIO SAN FRANCISCO, CA 94129	DIRECTOR 0.25	0.	0.	0.
THOMAS SUNIVILLE 39 MESA ST, STE 300, THE PRESIDIO SAN FRANCISCO, CA 94129	VICE PRESIDENT & CFO 5.00	0.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
		0

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	286,687.
b	Average of monthly cash balances	1b	102,350.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	389,037.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	389,037.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,836.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	383,201.
6	Minimum investment return. Enter 5% of line 5	6	19,160.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1	Minimum investment return from Part X, line 6	1	19,160.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	12,708.
b	Income tax for 2007 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	12,708.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	6,452.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	6,452.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	6,452.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	548,774.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	548,774.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	548,774.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				6,452.
2 Undistributed income, if any, as of the end of 2006				
a Enter amount for 2006 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2007				
a From 2002				
b From 2003				
c From 2004				
d From 2005	579,500.			
e From 2006	628,537.			
f Total of lines 3a through e	1,208,037.			
4 Qualifying distributions for 2007 from Part XII, line 4 ▶ \$ 548,774.				
a Applied to 2006, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2007 distributable amount				6,452.
e Remaining amount distributed out of corpus	542,322.			
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,750,359.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2006. Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2002 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	1,750,359.			
10 Analysis of line 9				
a Excess from 2003				
b Excess from 2004				
c Excess from 2005	579,500.			
d Excess from 2006	628,537.			
e Excess from 2007	542,322.			

THE IARA LEE & GEORGE GUND III
FOUNDATION

Form 990-PF (2007)

91-2146075 Page 10

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 6

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

NONE

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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment					
Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
a Paid during the year					
SEE STATEMENT 7					
Total				▶ 3a	548,500.
b Approved for future payment					
NONE					
Total				▶ 3b	0.

THE IARA LEE & GEORGE GUND III FOUNDATION

Form 990-PF (2007)

Part XVI-A Analysis of Income-Producing Activities

	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	
Enter gross amounts unless otherwise indicated					
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	12,040.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	623,466.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0.		635,506.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	635,506.

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

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

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

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

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | X |
| 1a(2) | | X |
| 1b(1) | | X |
| 1b(2) | | X |
| 1b(3) | | X |
| 1b(4) | | X |
| 1b(5) | | X |
| 1b(6) | | X |
| 1c | | X |
- 1** Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
- (1) Cash
- (2) Other assets
- b** Other transactions
- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) 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 foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

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

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

b If "Yes," complete the following schedule

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

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

Sign Here	Signature of officer or trustee: <i>J.P. Swindle</i>		Date: <i>10/15/08</i>	Title: <i>VP & CFO</i>	
	Preparer's signature: <i>Dean D Barr</i>	Date: <i>5/7/08</i>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN: _____	
Firm's name (or yours if self-employed), address, and ZIP code: DORSEY & WHITNEY LLP 50 S 6TH ST, STE 1500 MINNEAPOLIS, MN 55402		EIN: _____		Phone no: 612 340-2600	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2007

Name of organization

THE IARA LEE & GEORGE GUND III
FOUNDATION

Employer identification number

91-2146075

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization THE IARA LEE & GEORGE GUND III FOUNDATION	Employer identification number 91-2146075
---	---

Part I Contributors (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	GEORGE GUND III AND IARA LEE 39 MESA ST, STE 300, THE PRESIDIO SAN FRANCISCO, CA 94129	\$ 489,433.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____ _____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE IARA LEE & GEORGE GUND III FOUNDATION	Employer identification number 91-2146075
---	---

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	8900 SHS KELLOGG CORP STOCK	\$ 489,433.	10/03/07

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FINANCIAL WEST GROUP	12,040.	0.	12,040.
TOTAL TO FM 990-PF, PART I, LN 4	<u>12,040.</u>	<u>0.</u>	<u>12,040.</u>

FORM 990-PF LEGAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DORSEY & WHITNEY LLP	1,645.	0.		0.
TO FM 990-PF, PG 1, LN 16A	<u>1,645.</u>	<u>0.</u>		<u>0.</u>

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	21,719.	0.		0.
TO FORM 990-PF, PG 1, LN 18	<u>21,719.</u>	<u>0.</u>		<u>0.</u>

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKERAGE FEE	99.	99.		0.
NV SECRETARY OF STATE	25.	0.		25.
NV CT CORPORATION	249.	0.		249.
MISCELLANEOUS	50.	0.		0.
OFFICE EXPENSES	1,031.	0.		0.
NONDEDUCTIBLE PORTION OF CONTRIBUTIONS	2,500.	0.		0.
TO FORM 990-PF, PG 1, LN 23	<u>3,954.</u>	<u>99.</u>		<u>274.</u>

FORM 990-PF CORPORATE STOCK STATEMENT 5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
7500 SHS KELLOGG COMPANY	0.	0.
4700 SHS KELLOGG COMPANY	258,465.	246,421.
TOTAL TO FORM 990-PF, PART II, LINE 10B	258,465.	246,421.

FORM 990-PF PART XV - LINE 1A LIST OF FOUNDATION MANAGERS STATEMENT 6

NAME OF MANAGER

IARA LEE
 GEORGE GUND III

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 7

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
A. J. MUSTE MEMORIAL INST 339 LAFAYETTE ST, NEW YORK, NY 10012	N/A HUMANITARIAN - SOMET PROJECT	PUBLIC CHARITY	5,000.
AGGLOBE SERVICES INTERNATIONAL INC 16005 22ND AVE N, PLYMOUTH, MN 55447	N/A HUMANITARIAN/ENVIRONMENTAL	PUBLIC CHARITY	50,000.
AMERICAN TASK FORCE FOR LEBANON 2213 M STREET NW, 3RD FL, WASHINGTON, D.C. 20037	N/A ART/FILM	PUBLIC CHARITY	5,000.
ANTI-SLAVERY INTERNATIONAL INC 1012 14TH ST, NW, STE 600, WASHINGTON, D.C. 20005	N/A HUMANITARIAN - FREE THE SLAVES CAMPAIGN	PUBLIC CHARITY	10,000.

CENTER FOR CONSTITUTIONAL RIGHTS INC 666 BROADWAY FL 7, NEW YORK, NY 10012	N/A	PUBLIC CHARITY	10,000.
	HUMANITARIAN - LEGAL EFFORTS TO STOP USE OF CLUSTER BOMBS		
COMMITTEE TO PROTECT JOURNALISTS, INC. 330 7TH AVE, 11TH FL, NEW YORK, NY 10001	N/A	PUBLIC CHARITY	10,000.
	HUMANITARIAN - MIDDLE EAST & AFRICA SUPPORT		
ECPAT-USA 157 MONTAGUE ST, BROOKLYN, NY 11201	N/A	PUBLIC CHARITY	5,000.
	HUMANITARIAN - END CHILD PROSTITUTION, PORNOGRAPHY AND TRAFFICKING		
US CAMPAIGN TO END THE ISRAELI OCCUPATION 1101 PENNSYLVANIA AVE SE, STE 204, WASHINGTON, D.C. 20003	N/A	PUBLIC CHARITY	10,000.
	HUMANITARIAN - METRO STATION POSTER PROJECT		
TIDES CENTER/GRANTMAKERS WITHOUT BORDERS 1009 GENERAL KENNEDY AVE #2, SAN FRANCISCO, CA 94129	N/A	PUBLIC CHARITY	1,000.
	HUMANITARIAN		
GREENPEACE FUND 702 H ST NW, SUITE 300, WASHINGTON, D.C. 20001	N/A	PUBLIC CHARITY	50,000.
	ENVIRONMENTAL - BRAZILIAN AMAZON & INT'L GLOBAL WARMING CAMPAIGN		
HUMAN RIGHTS WATCH 350 5TH AVE, 34TH FL, NEW YORK, NY 10118	N/A	PUBLIC CHARITY	10,000.
	HUMANITARIAN - UK COALITION TO STOP USE OF CHILDREN SOLDIERS		
HUMAN RIGHTS WATCH 350 5TH AVE, 34TH FL, NEW YORK, NY 10118	N/A	PUBLIC CHARITY	50,000.
	HUMANITARIAN - ADVOCACY WORK TO BAN CLUSTER MUNITIONS		
INSTITUTE FOR POLICY STUDIES 733 15TH ST NW, STE 1020, WASHINGTON, D.C. 20005	N/A	PUBLIC CHARITY	10,000.
	PEACE - PREVENTING THE SPREAD OF WAR TO IRAN PROJECT		

INSTITUTE FOR PUBLIC ACCURACY 65 NINTH ST, STE 3, SAN FRANCISCO, CA 94103	N/A PEACE - WAR MADE EASY PROJECT	PUBLIC CHARITY	10,000.
INTERNATIONAL CAMPAIGN TO BAN LANDMINES INC 1630 CONNECTICUT AVE NW, STE 500, WASHINGTON, D.C. 20009	N/A ANTI-LANDMINE EFFORTS	PUBLIC CHARITY	10,000.
INTERNATIONAL CRISIS GROUP 420 LEXINGTON AVE, #2640, NEW YORK, NY 10170	N/A MIDDLE EAST INITIATIVE	PUBLIC CHARITY	25,000.
INTERNATIONAL FEDERATION RED CROSS/RED CRESCENT 800 2ND AVE, STE 355, NEW YORK, NY 10017	N/A HUMANITARIAN - AID TO VICTIMS OF NORTH KOREAN FLOODS	PUBLIC CHARITY	10,000.
INTERNATIONAL RIVERS NETWORK 1847 BERKELEY WAY, BERKELEY, CA 94703	N/A ENVIRONMENT - GENERAL SUPPORT AND AFRICA PROGRAMS	PUBLIC CHARITY	10,000.
JUST FOREIGN POLICY 4410 MASSACHUSETTS AVE NW, #290, WASHINGTON, D.C. 20016	N/A PEACE - MARKETING SUPPORT	PUBLIC CHARITY	10,000.
MAG AMERICA INC 601 PENNSYLVANIA AVE NW, PMB 90021, #900 S BLDG, WASHINGTON, D.C. 20004	N/A ANTI-LANDMINE EFFORTS	PUBLIC CHARITY	15,000.
MIDDLE EAST STUDIES ASSOC 1219 N SANTA RITE AVE, TUSCON, AZ 85721	N/A HUMANITARIAN - MAKE FILMS NOT WAR	PUBLIC CHARITY	10,500.
NATIONAL GEOGRAPHIC 1145 17TH STREET NW, WASHINGTON, D.C. 20036-4688	N/A ENVIRONMENTAL - CENTER FOR SUSTAINABLE DESTINATIONS AND ASHOKA	PUBLIC CHARITY	50,000.

NATIONAL IRANIAN AMERICAN COUNCIL	N/A	PUBLIC CHARITY	10,000.
2801 M ST NW, WASHINGTON, D.C. 20007	PEACE - US-IRAN MEDIA RESOURCE & POLICY PROGRAM		
REFUGEES INTERNATIONAL	N/A	PUBLIC CHARITY	2,000.
1705 N ST NW, WASHINGTON, D.C. 20036	HUMANITARIAN - IRAQI REFUGEE FUND		
SLOW FOOD USA, INC.	N/A	PUBLIC CHARITY	50,000.
20 JAY STREET, #313, BROOKLYN, NY 11201	HUMANITARIAN/ENVIRONMENTAL		
SYNERGOS INSTITUTE, INC.	N/A	PUBLIC CHARITY	5,000.
51 MADISON AVE, 21ST FL, NEW YORK, NY 10010	CHILDREN/HUMANITARIAN - KIDS PROJECTS	RAILWAY	
THE NAUTILUS INSTITUTE	N/A	PUBLIC CHARITY	50,000.
2130 FULTON STREET, LM 127, SAN FRANCISCO, CA 94117	ENVIRONMENT - DPRK ENERGY TRAINING		
THE SYNERGOS INSTITUTE	N/A	PUBLIC CHARITY	24,500.
51 MADISON AVE, 21ST FL, NEW YORK, NY 10010	ECONOMIC/HUMANITARIAN		
THE WILLIAM J CLINTON FOUNDATION	N/A	PUBLIC CHARITY	28,000.
1200 PRESIDENT CLINTON AVE, LITTLE ROCK, AR 72207	EDUCATIONAL		
UNITED FOR A FAIR ECONOMY	N/A	PUBLIC CHARITY	2,500.
29 WINTER STREET, BOSTON, MA 02108	ECONOMIC/HUMANITARIAN		
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>548,500.</u>

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM **990-PF**

2007

Name **THE IARA LEE & GEORGE GUND III
FOUNDATION**

Employer identification number
91-2146075

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)	1	12,708.
2 a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1 b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method c Credit for Federal tax paid on fuels (see instructions) d Total. Add lines 2a through 2c	2a	
	2b	
	2c	
	2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.	3	12,708.
4 Enter the tax shown on the corporation's 2006 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5.	4	13,668.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3.	5	12,708.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.	g	05/15/07	06/15/07	09/15/07	12/15/07
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	3,177.	3,177.	3,177.	3,177.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.	11	7,000.		7,000.	
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column.	12		3,823.	646.	4,469.
13 Add lines 11 and 12.	13		3,823.	7,646.	4,469.
14 Add amounts on lines 16 and 17 of the preceding column.	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-.	15	7,000.	3,823.	7,646.	4,469.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.	17				
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.	18	3,823.	646.	4,469.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month)				
20 Number of days from due date of installment on line 9 to the date shown on line 19				
21 Number of days on line 20 after 4/15/2007 and before 1/1/2008				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 8\%}{365}$	\$	\$	\$	\$
23 Number of days on line 20 after 12/31/2007 and before 4/1/2008				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{366}$	\$	\$	\$	\$
25 Number of days on line 20 after 3/31/2008 and before 7/1/2008				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times \%}{366}$	\$	\$	\$	\$
27 Number of days on line 20 after 6/30/2008 and before 10/1/2008				
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times \%}{366}$	\$	\$	\$	\$
29 Number of days on line 20 after 9/30/2008 and before 1/1/2009				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	\$	\$	\$	\$
31 Number of days on line 20 after 12/31/2008 and before 2/16/2009				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	\$	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	\$	\$	\$	\$
34 Penalty. Add columns (a) through (d) of line 33. Enter the total here and on Form 1120, line 33, or the comparable line for other income tax returns				34 \$ 0.

* For underpayments paid after March 31, 2008: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.