

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

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

A For the 2008 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.
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
 3944 STATE STREET, SUITE 340
 City or town, state or country, and ZIP + 4
 SANTA BARBARA, CA 93105

D Employer identification number
 75-2816066

E Telephone number
 805-563-8400

F Name and address of principal officer CHRISTOPHER HAHN
 SAME AS C ABOVE

G Gross receipts \$ 2,135,988.

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status: 501(c) (3) (insert no) 4947(a)(1) or 527

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

K Type of organization: Corporation Trust Association Other

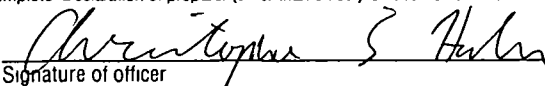
L Year of formation: 1999 **M State of legal domicile:** CA

Part I Summary

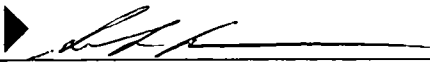
Activities & Governance	1	Briefly describe the organization's mission or most significant activities.	PROMOTE MESOTHELIOMA (CANCER) RESEARCH, EDUCATION AND AWARENESS.	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	6
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5	Total number of employees (Part V, line 2a)	5	10
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,521,945.	1,605,167.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	232,450.	32,450.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	150,690.	100,929.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,442.	1,741,988.
	12		1,905,085.	1,741,988.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,024,223.	525,000.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries and other compensation, employee benefits (Part IX, column (A), lines 5-10)	454,373.	622,035.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	16b	Total fundraising expenses (Part IX, column (D), line 25)	232,743.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	586,450.	711,045.
	18	Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	2,065,046.	1,858,080.
19	Revenue less expenses Subtract line 18 from line 12	-159,961.	-116,092.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Year	End of Year
	21	Total liabilities (Part X, line 26)	1,918,772.	1,636,276.
	22	Net assets or fund balances Subtract line 21 from line 20	11,826.	702,479.
		1,906,946.	933,797.	

Part II Signature Block

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.

Sign Here:  Date: 1/11/09
 Signature of officer
 CHRISTOPHER HAHN, EXECUTIVE DIRECTOR
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature:  Date: 1/16/09
 Check if self-employed: Preparer's identifying number (see instructions): P0161999
 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

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED DEC 21 2009

915-23

13

THE MESOTHELIOMA APPLIED RESEARCH
FOUNDATION, INC.

Form 990 (2008)

75-2816066 Page 2

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission **SEE SCHEDULE O FOR CONTINUATION**
THE FOUNDATION IS DEDICATED TO ERADICATING THE LIFE-ENDING AND VICIOUS
EFFECTS OF MESOTHELIOMA; TO OFFERING HOPE AND SUPPORT TO PATIENTS AND
FAMILIES BY EDUCATING THEM ON THE DISEASE; TO HELPING THEM OBTAIN THE
MOST UP-TO-DATE INFORMATION ON TREATMENT OPTIONS AND TO CONNECT WITH

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes", describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes", describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ **761,452.** including grants of \$ **525,000.**) (Revenue \$)
GROWTH OF RESEARCH GRANT PROGRAM CREATING INCREASED INTERNATIONAL
INTEREST IN MESOTHELIOMA RESEARCH, SCIENTIFIC PEER REVIEW OF 59
PROPOSED PROJECTS, SELECTION AND FUNDING OF 5 NEW PROJECTS AND 10
ONGOING PROJECTS; ANNUAL RESEARCH AND EDUCATION SYMPOSIUM.

4b (Code) (Expenses \$ **529,367.** including grants of \$) (Revenue \$)
EDUCATION & AWARENESS SERVICE CONSISTING OF PROVIDING PATIENTS &
FAMILIES WITH SUPPORT AND INFORMATION ON RESEARCH, AVAILABLE
TREATMENTS, CLINICAL TRIALS & CENTERS WITH EXPERTISE; SYMPOSIUM;
DISTRIBUTION OF EDUCATIONAL BROCHURES; WEBSITE DEVELOPMENT &
MAINTENANCE.

4c (Code) (Expenses \$ **218,802.** including grants of \$) (Revenue \$)
ADVOCACY SERVICES - WORKED INTENSELY TO EDUCATE FEDERAL LEADERS ON NEED
FOR FEDERAL MESOTHELIOMA RESEARCH FUNDING AND ON THE DETAILS OF AN
EFFECTIVE FEDERAL MESOTHELIOMA RESEARCH PROGRAM.

4d Other program services. (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ **1,509,621.** (Must equal Part IX, Line 25, column (B))

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

Form 990 (2008)

75-2816066 Page 3

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X

Form 990 (2008)

THE MESOTHELIOMA APPLIED RESEARCH
FOUNDATION, INC.

Form 990 (2008)

75-2816066 Page 4

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

Form 990 (2008)

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

Form 990 (2008)

75-2816066 Page 5

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable		
1a	4		
1b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2a	10		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	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)?		X
b	If "Yes," enter the name of the foreign country. ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
5c			
6a	Did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
6b			
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7c			
d	If "Yes," indicate the number of Forms 8282 filed during the year		
7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7f			
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
7h			
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
8			
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
9b			
10	Section 501(c)(7) organizations. Enter: N/A		
a	Initiation fees and capital contributions included on Part VIII, line 12		
10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
10b			
11	Section 501(c)(12) organizations. Enter: N/A		
a	Gross income from members or shareholders		
11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A		
12b			

Form 990 (2008)

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

Form 990 (2008)

75-2816066 Page 6

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O See instructions

	Yes	No
1a Enter the number of voting members of the governing body		
b Enter the number of voting members that are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		X
11 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision.		
a The organization's CEO, Executive Director, or top management official?	X	
b Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)	X	
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization **▶** _____
ACCOUNTABILITY PLUS - (805) 899 1936
1517 CHAPALA STREET, SANTA BARBARA, CA 93101

THE MESOTHELIOMA APPLIED RESEARCH
FOUNDATION, INC.

Form 990 (2008)

75-2816066 Page 9

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1605167.				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		1,605,167.			
Program Service Revenue	2 a SYMPOSIUM FEES	Business Code 900099	32,450.	32,450.		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		32,450.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		100,929.		100,929.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real	(ii) Personal			
		b Less rental expenses				
		c Rental income or (loss)				
		d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		394,000.				
		b Less cost or other basis and sales expenses				
		394,000.				
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less direct expenses	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a OTHER INCOME	900099	3,442.	3,442.			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		3,442.				
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 8d, 7d, 8c, 9c, 10c, and 11e		1,741,988.	35,892.	0.	100,929.	

832009
02-02-09

Form 990 (2008)

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

Form 990 (2008)

75-2816066 Page 10

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	425,000.	425,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	100,000.	100,000.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	169,943.	141,053.	15,295.	13,595.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	394,368.	272,681.	1,047.	120,640.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	15,773.		15,773.	
9 Other employee benefits				
10 Payroll taxes	41,951.	27,930.	4,154.	9,867.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	22,803.		22,803.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	22,652.	16,697.	3,213.	2,742.
12 Advertising and promotion	30,517.	30,133.		384.
13 Office expenses				
14 Information technology	64,552.	48,118.	4,423.	12,011.
15 Royalties				
16 Occupancy	35,078.	29,060.	3,283.	2,735.
17 Travel	46,655.	23,234.	7,840.	15,581.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	954.	804.		150.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,272.	4,272.		
23 Insurance	30,293.	24,049.	3,949.	2,295.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a EVENT LOCATION RENTAL	173,838.	173,838.		
b NEWSLETTER	69,191.	45,716.		23,475.
c PUBLIC RELATIONS	50,036.	50,036.		
d PRINTING AND DESIGN	32,524.	20,124.	5.	12,395.
e LEGISLATIVE COUNSEL	24,844.	24,844.		
f All other expenses	102,836.	52,032.	33,931.	16,873.
25 Total functional expenses Add lines 1 through 24f	1,858,080.	1,509,621.	115,716.	232,743.
26 Joint Costs Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

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

Form 990 (2008)

75-2816066 Page 11

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	504,049.	1	457,963.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net		3	138,341.	
	4 Accounts receivable, net		4		
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges		9	2,504.	
	10a Land, buildings, and equipment cost basis	10a 36,776.			
	b Less accumulated depreciation Complete Part VI of Schedule D	10b 17,509.	10,500.	10c	19,267.
	11 Investments - publicly traded securities		1,404,223.	11	1,018,201.
	12 Investments - other securities See Part IV, line 11			12	
	13 Investments - program-related See Part IV, line 11			13	
	14 Intangible assets			14	
	15 Other assets See Part IV, line 11			15	
16 Total assets. Add lines 1 through 15 (must equal line 34)		1,918,772.	16	1,636,276.	
Liabilities	17 Accounts payable and accrued expenses		17	6,842.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow account liability Complete Part IV of Schedule D		21		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable		24		
	25 Other liabilities Complete Part X of Schedule D		11,826.	25	695,637.
	26 Total liabilities. Add lines 17 through 25		11,826.	26	702,479.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	1,441,875.	27	436,564.	
	28 Temporarily restricted net assets	465,071.	28	497,233.	
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	1,906,946.	33	933,797.	
	34 Total liabilities and net assets/fund balances	1,918,772.	34	1,636,276.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

2008
Open to Public Inspection

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

Part I Reason for Public Charity Status (All organizations must complete this part) (see instructions)

The organization is not a private foundation because it is (Please check only one organization)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H)
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II)
- 9 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 exempt 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). (Complete the Part III)
- 10 An organization organized and operated exclusively to test for public safety See section 509(a)(4). (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule A (Form 990 or 990-EZ) 2008

THE MESOTHELIOMA APPLIED RESEARCH

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1443869.	1680989.	1975044.	1367611.	1345167.	7812680.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 - 3	1443869.	1680989.	1975044.	1367611.	1345167.	7812680.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2336430.
6 Public Support. Subtract line 5 from line 4						5476250.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	1443869.	1680989.	1975044.	1367611.	1345167.	7812680.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	17,890.	36,169.	74,417.	150,690.	100,929.	380,095.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)					3,442.	3,442.
11 Total support. Add lines 7 through 10						8196217.
12 Gross receipts from related activities, etc. (see instructions)					12 1,178,909.	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	66.81 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	70.19 %
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 - 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2008
Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

▶ To be completed by organizations described below.
▶ Attach to Form 990 or Form 990-EZ.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

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

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.
See the instructions for Schedule C for details.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours _____

Part I-B To be completed by all organizations exempt under section 501(c)(3).
See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).
See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file Form 1120-POL for this year? Yes No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

THE MESOTHELIOMA APPLIED RESEARCH

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768

(election under section 501(h)). See the instructions for Schedule C for details

- A** Check if the filing organization belongs to an affiliated group.
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)		0.													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		24,844.													
c Total lobbying expenditures (add lines 1a and 1b)		24,844.													
d Other exempt purpose expenditures		1,833,236.													
e Total exempt purpose expenditures (add lines 1c and 1d)		1,858,080.													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		242,904.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	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		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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														
g Grassroots nontaxable amount (enter 25% of line 1f)		60,726.													
h Subtract line 1g from line 1a Enter -0- if line g is more than line a		0.													
i Subtract line 1f from line 1c Enter -0- if line f is more than line c		0.													
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

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 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount	225,863.	242,899.	244,075.	242,904.	955,741.
b Lobbying ceiling amount (150% of line 2a, column(e))					1,433,612.
c Total lobbying expenditures	10,000.	82,500.	114,500.	24,844.	231,844.
d Grassroots non-taxable amount	56,466.	60,725.	61,019.	60,726.	238,936.
e Grassroots ceiling amount (150% of line 2d, column (e))					358,404.
f Grassroots lobbying expenditures					

THE MESOTHELIOMA APPLIED RESEARCH

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, 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 1c through 1i)?			
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 Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?		

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization **THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.**

Employer identification number
75-2816066

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically important land area

Protection of natural habitat Preservation of certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

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

Schedule D (Form 990) 2008

75-2816066 Page 2

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	110,000.				
b Contributions	470,450.				
c Investment earnings or losses					
d Grants or scholarships	570,450.				
e Other expenditures for facilities and programs	1,224.				
f Administrative expenses					
g End of year balance	8,776.				

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment 100.00 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		36,776.	17,509.	19,267.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				19,267.

Schedule D (Form 990) 2008

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

Schedule D (Form 990) 2008

75-2816066 Page 3

Part VII Investments - Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.)		

Part VIII Investments - Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Col (b) should equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col (B) line 15)	

Part X Other Liabilities. See Form 990, Part X, line 25

(a) Description of liability	(b) Amount
Federal income taxes	
CREDIT CARD PAYABLE	4,848.
GRANTS PAYABLE	690,789.
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	695,637.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,741,988.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,858,080.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-116,092.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	-538,289.
8	Other (Describe in Part XIV)	8	-318,768.
9	Total adjustments (net). Add lines 4-8	9	-857,057.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-973,149.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,212,479.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-529,509.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	-529,509.
3	Subtract line 2e from line 1	3	1,741,988.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	1,741,988.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,858,080.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,858,080.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	1,858,080.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X; Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

PART V, LINE 4: THE FOUNDATION'S TERM ENDOWMENTS ARE TO AWARD RESEARCH

GRANTS AND TO FACILITATE TRAVEL FOR PATIENTS.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN UNREALIZED LOSSES - CURRENT YEAR: -529509.

SECTION 481(A) ADJUSTMENT TO CONVERT TO ACCRUAL: 42031.

CHANGE IN UNREALIZED LOSSES - CONVERT FROM CASH TO ACCRUAL: 168710.

Part IV Supplemental Information

Complete this part to provide the information required by Part I, line 2, and any other additional information

SCHEDULE F, PART I, LINE 2: MESOTHELIOMA APPLIED RESEARCH FOUNDATION
RECEIVES PROGRESS REPORTS FROM THE GRANTEES TO ENSURE THEY ARE FOLLOWING
THE GRANT AGREEMENT.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

OMB No. 1545-0047

2008

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

Open to Public
Inspection

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

Part I General information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOX CHASE CANCER CENTER 333 COTTMAN AVENUE PHILADELPHIA, PA 19111	23-2003072	501(C)3	100,000.	0.			MESOTHELIOMA RESEARCH
UNIVERSITY OF ILLINOIS AT URBANA 208 NORTH WRIGHT STREET URBANA, IL 61801	37-6000511	501(C)3	100,000.	0.			MESOTHELIOMA RESEARCH
UNIVERSITY OF HAWAII 2530 DOLE STREET, SAKAMAKI D-200 HONOLULU, HI 96822	99-0085260	501(C)3	100,000.	0.			MESOTHELIOMA RESEARCH
UNIVERSITY OF BALTIMORE, MARYLAND 22 S. GREEN STREET S4B05A BALTIMORE, MD 21201	31-1678679	501(C)3	100,000.	0.			MESOTHELIOMA RESEARCH
CANCER RESEARCH AND BIostatISTICS 1730 MINOR AVE STE 1900 SEATTLE, WA 98101	91-1828539	501(C)3	25,000.	0.			MESOTHELIOMA RESEARCH

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

5.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) 2008

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

Schedule I (Form 990) 2008

75-2816066

Page 2

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: MESOTHELIOMA APPLIED RESEARCH FOUNDATION

RECEIVES PROGRESS REPORTS FROM THE GRANTEES TO ENSURE THEY ARE FOLLOWING

THE GRANT AGREEMENT.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2008

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Department of the Treasury
Internal Revenue Service

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

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

- a** Receive a severance payment or change of control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of.

- a** The organization?
- b** Any related organization?
- If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

THE MESOTHELIOMA APPLIED RESEARCH
FOUNDATION, INC.

Employer identification number
75-2816066

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MESO TREATMENT SPECIALISTS; TO PROVIDING THEM ASSISTANCE, EMOTIONAL
SUPPORT AND COMMUNITY WITH OTHERS; TO FUNDING THE HIGHEST QUALITY AND
MOST PROMISING MESO RESEARCH PROJECTS; TO RAISING AWARENESS OF MESO; TO
ADVOCATING THAT PUBLIC AND PRIVATE SECTORS PARTNER IN THE EFFORT TO
CURE MESO.

FORM 990, PART VI, SECTION A, LINE 10: THE 990 IS APPROVED AND SIGNED BY
THE EXECUTIVE DIRECTOR, CHRISTOPHER HAHN, PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICT OF INTEREST FORMS ARE
REQUIRED TO BE FILLED OUT EACH YEAR AND ARE PUBLISHED IN THE BOARD OF
DIRECTORS FOLDER AT EACH MEETING.

FORM 990, PART VI, SECTION B, LINE 15: EXECUTIVE COMPENSATION IS
DETERMINED BY THE BOARD OF DIRECTORS BASED UPON THE EXECUTIVE DIRECTOR'S
HISTORICAL COMPENSATION AND RELATIVELY MINOR AND INFREQUENT ADJUSTMENTS
BASED UPON GROWTH, SUCCESS, AND INCREASING COMPLEXITY OF THE ORGANIZATION.
CHANGES TO THE EXECUTIVE COMPENSATION ARE APPROVED IN THE MINUTES.

FORM 990, PART VI, SECTION C, LINE 19: THE GOVERNING DOCUMENTS ARE
AVAILABLE AT THE ORGANIZATION'S OFFICE DURING BUSINESS HOURS, WITH AN
APPOINTMENT AND BY REQUEST VIA EMAIL OR MAIL.

FORM 990, PART XI, LINE 2C

AUDIT AND SELECTION OF INDEPENDENT ACCOUNTANT

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211
12-18-08

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008
Open to Public
Inspection

Name of the organization

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

Employer identification number
75-2816066

**THE ORGANIZATION DOES HAVE A COMMITTE THAT ASSUMES RESPONSIBILITY OF
THE AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT. THE PROCESS IS
THE SAME AS LAST YEAR.**

Depreciation and Amortization 990
 (Including Information on Listed Property)

2008

Attachment
 Sequence No 67

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

Name(s) shown on return THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.	Business or activity to which this form relates FORM 990 PAGE 10	Identifying number 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

1 Maximum amount See the instructions for a higher limit for certain businesses	1	250,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	800,000.
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

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

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

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	3,872.

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

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	22	3,872.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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

Form 4562 (2008)

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? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed 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

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
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?												
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

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
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 2008 tax year:					
43 Amortization of costs that began before your 2008 tax year					400.
44 Total. Add amounts in column (f) See the instructions for where to report					400.

Form **3115**
(Rev December 2003)
Department of the Treasury
Internal Revenue Service

Application for Change in Accounting Method

OMB No 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.		Identification number (see instructions) 75-2816066
Number, street, and room or suite no If a P O box, see the instructions 3944 STATE STREET, SUITE 340		Principal business activity code number (see instructions)
City or town, state, and ZIP code SANTA BARBARA, CA 93105		Tax year of change begins (MM/DD/YYYY) 01/01/2008 Tax year of change ends (MM/DD/YYYY) 12/31/2008
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions) CHRISTOPHER HAHN
		Contact person's telephone number (805) 563-8400

If the applicant is a member of a consolidated group, check this box

If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box

Check the box to indicate the applicant.

<input type="checkbox"/> Individual	<input type="checkbox"/> Cooperative (Sec 1381)
<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Controlled foreign corporation (Sec. 957)	<input type="checkbox"/> S corporation
<input type="checkbox"/> 10/50 corporation (Sec 904(d)(2)(E))	<input type="checkbox"/> Insurance co. (Sec 816(a))
<input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2))	<input type="checkbox"/> Insurance co (Sec 831)
<input checked="" type="checkbox"/> Exempt organization. Enter Code section 501 (C) 3	<input type="checkbox"/> Other (specify) ▶

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

<input type="checkbox"/> Depreciation or Amortization
<input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions
<input checked="" type="checkbox"/> Other (specify) ▶ CASH TO ACCRUAL METHOD

Caution: The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request	Yes	No
1 Enter the requested designated accounting method change number from the List of Automatic Accounting Method Changes (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description ▶ (a) Change No. <u>30</u> (b) Other <input type="checkbox"/> Description ▶ _____		
2 Is the accounting method change being requested one for which the scope limitations of section 4 02 of Rev Proc 2002-9 (or its successor) do not apply? If "Yes," go to Part II.	X	
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		X

Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests	Yes	No
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If you answered "No," go to line 5.		X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		X

Signature (see instructions)

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

Filer
Christopher S Hahn, 11/16/09
Signature and date

Christopher E Hahn, Executive Director
Name and title (print or type)

Preparer (other than filer/applicant)
[Signature] 11/16/09
Signature of individual preparing the application and date

Gaule Anikovich
Name of individual preparing the application (print or type)

MacFarlane Faletti & Co LLP
Name of firm preparing the application

The Mesothelioma Applied Research Foundation, Inc. 75-2816066

Form 3115 (Rev 12-2003)

Part II Information For All Requests (continued)		Yes	No
4c	Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		X
d	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.		X
e	Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see instructions) <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day		X
f	If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
g	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
5a	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		X
b	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
c	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? If "Yes," attach an explanation.		X
6	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court		
7	If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is not eligible to make the change		
8	Is the applicant making a change to which audit protection does not apply (see instructions)?		X
9a	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)?		X
b	If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.		
c	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.		
10a	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice?		X
b	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).		
11	Is the applicant requesting to change its overall method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting Also, complete Schedule A on page 4 of the form. Present method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)	X	
12	If the applicant is not changing its overall method of accounting, attach a detailed and complete description for each of the following: a The item(s) being changed. b The applicant's present method for the item(s) being changed c The applicant's proposed method for the item(s) being changed d The applicant's present overall method of accounting (cash, accrual, or hybrid).		

The Mesothelioma Applied Research Foundation, Inc. 75-2816066

Form 3115 (Rev 12-2003)

Part II Information For All Requests (continued)			Yes	No	
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately, the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income, the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.				
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions If "No," attach an explanation.			X	
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?				X
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application				
16	Does the applicant request a conference of right with the IRS National Office if the IRS proposes an adverse response?				X
17	If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change				
	1st preceding year ended mo DECEMBER yr 2007	2nd preceding year ended mo DECEMBER yr 2006	3rd preceding year ended mo DECEMBER yr 2005		
	\$ 1,805,086.00	\$ 2,176,458.00	\$ 1,938,415.00		

Part III Information For Advance Consent Request			Yes	No	
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? ... If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.				
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.				
20	Attach a copy of all documents related to the proposed change (see instructions).				
21	Attach a statement of the applicant's reasons for the proposed change.				
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed?				
	If "No," attach an explanation				
23a	Enter the amount of user fee attached to this application (see instructions). ▶ \$ _____				
b	If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev Proc 2003-1 (or its successor) (see instructions)				

Part IV Section 481(a) Adjustment			Yes	No	
24	Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below.				X
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>42,031.00</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.				
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?				
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?				X
	If "Yes," attach an explanation.				

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

- a Income accrued but not received
b Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method
c Expenses accrued but not paid
d Prepaid expenses previously deducted
e Supplies on hand previously deducted and/or not previously reported
f Inventory on hand previously deducted and/or not previously reported Complete Schedule D, Part II
g Other amounts (specify)
h Net section 481(a) adjustment (Combine lines 1a-1g.)

Table with 2 columns: Description, Amount. Row 1: \$ 100,000.00. Row 2: (61,356.00). Row 3: 3,387.00. Row 4: \$ 42,031.00.

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? Yes No
3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business
2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B—Change in Reporting Advance Payments (see instructions)

- 1 If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 549, attach the following information:
a Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method.
b If any parts or materials are provided, explain whether the obligation to provide parts or materials is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services
c If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
d A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year
e An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records.
2 If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information
a Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method
b A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii)
c An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records.

Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts.
2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," explain the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts
c Describe the applicant's manufacturing activities, including any required installation of manufactured goods
4 To determine a contract's completion factor using the percentage-of-completion method
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed.
3 If the applicant is subject to section 263A, is its present inventory valuation method in compliance with section 263A (see instructions)?

4a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

- Cost
Cost or market, whichever is lower
Retail cost
Retail, lower of cost or market
Other (attach explanation)

Table with 3 columns: Inventory Being Changed (Present method, Proposed method), Inventory Not Being Changed (Present method). Rows for identification and valuation methods.

- b Enter the value at the end of the tax year preceding the year of change
5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
a Copies of Form(s) 970 filed to adopt or expand the use of the method
b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method
c Only for applicants requesting an automatic change. Attach the statement required by section 10.01(4) of the Appendix of Rev. Proc. 2002-9 (or its successor)

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)

Section A—Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U S ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460 Mark "N/A" in a box if those costs are not incurred by the applicant if a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

Table with 28 rows of cost categories and 2 columns: Present method, Proposed method. Rows include Direct material, Direct labor, Indirect labor, Officers' compensation, Pension and other related costs, Employee benefits, Indirect materials and supplies, Purchasing costs, Handling, processing, assembly, and repackaging costs, Offsite storage and warehousing costs, Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle, Depletion, Rent, Taxes other than state, local, and foreign income taxes, Insurance, Utilities, Maintenance and repairs that relate to a production, resale, or long-term contract activity, Engineering and design costs (not including section 174 research and experimental expenses), Rework labor, scrap, and spoilage, Tools and equipment, Quality control and inspection, Bidding expenses incurred in the solicitation of contracts awarded to the applicant, Licensing and franchise costs, Capitalizable service costs (including mixed service costs), Administrative costs (not including any costs of selling or any return on capital), Research and experimental expenses attributable to long-term contracts, Interest, Other costs (Attach a list of these costs.)

Part III Method of Cost Allocation (see instructions) (continued)

Section C—Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

Table with 2 columns: Present method, Proposed method. Rows 1-11 listing various cost categories like Marketing, Research, Bidding, etc.

Schedule E—Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the List of Automatic Accounting Method Changes in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)?
2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)?
3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1))?
4a To the extent not already provided, attach a statement describing the property being changed...
b If the property is residential rental property, did the applicant live in the property before renting it?
c Is the property public utility property?
5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated...
6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change...
7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information...
a The Code section under which the property is or will be depreciated or amortized...
b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674...
c The facts to support the asset class for the proposed method...
d The depreciation or amortization method of the property...
e The useful life, recovery period, or amortization period of the property.
f The applicable convention of the property.

Attachment to Form 3115 – Application for Change in Accounting Method

The Mesothelioma Applied Research Foundation, Inc.
FEIN 75-2816066

Part II line 13: The Mesothelioma Applied Research Foundation, Inc. is a not for profit organization dedicated to eradicating the life-ending effects of mesothelioma. The organization seeks contributions and grants in order to to fund the highest quality and most promising meso research projects; to raise awareness of meso; and to offer hope and support to patients and families by educating them on the disease. The Organization also coordinates a Symposium (business code 900099) as a venue to educate and to inform all on the current progress of research and treatments.

Schedule A:

Net section 481(a) adjustment \$ 42,031

The Foundation will make the entire adjustment to its 2008 tax return as there is no tax impact.

Schedule A line 3: An income statement and balance sheet for the year ended 12/31/07 are attached to this application. These statements were prepared on the accrual basis of accounting.

As a part of the conversion to the accrual basis of reporting information on Form 990, the Foundation is now stating its investments at Fair Market Value. As the change in unrealized gains and losses on investments is reported directly as a change in net assets and not a component of total revenue, the net section 481 (a) adjustment excludes this adjustment. The reconciliation of net assets is:

Net assets reported on the 2007 Form 990, under the cash basis	\$ 1,906,946
Net section 481 (a) adjustment, Schedule A of Form 3115	42,031
Unrealized gain on investments, as the difference between cost on Form 990 and fair market value on the financial statements	<u>168,710</u>
Net assets reported on the 2007 financial statements, under the accrual basis	<u>\$ 2,117,687</u>

Balance Sheet	Cash	Accrual	Sect 481 calculation	
Cash	504,050	504,050	-	
Pledge Receivable	-	100,000	(100,000)	100,000 increase from cash to accrual income
Prepaid	-	3,386	(3,386)	3,386 increase from cash to accrual income because not deducted on accrual
PP&E	7,700	7,700	-	
Other, net amort	2,800	2,800	-	
Investments	1,404,223	1,572,933	(168,710)	168,710 increase from cash to accrual income years of unrealized
	<u>1,918,773</u>	<u>2,190,869</u>	<u>(272,096)</u>	
Acct Pay		11,356	(11,356)	(11,356) decrease from cash to accrual because now deducted
CC payable	6,382	6,382	-	
Accrued Exp	5,444	5,444	-	
Grants Pay		50,000	(50,000)	(50,000) decrease from cash to accrual because now deducted
Net Assets-total	1906946	2117687	(210,741)	
	<u>1,918,772</u>	<u>2,190,869</u>	<u>(272,097)</u>	<u>210,740</u> equals change in net assets
		Without unrealized gains		42,030 Sect 481
		Unrealized gains		<u>168,710</u> change to net assets (as would be treated year to year)
				<u>210,740</u>

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007
WITH COMPARATIVE TOTALS FOR 2006

	Unrestricted	Temporarily Restricted	Total 2007	Total 2006
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 38,979	\$ 465,071	\$ 504,050	\$ 793,327
Pledge receivable	-	100,000	100,000	-
Prepaid expenses	3,386	-	3,386	4,210
Total Current Assets	42,365	565,071	607,436	797,537
Equipment and furniture, net (Note 3)	7,700	-	7,700	7,952
Other asset, net of accumulated amortization of \$2,400 and \$2,000 respectively (Note 4)	2,800	-	2,800	3,200
Investments (Note 5)	1,572,933	-	1,572,933	1,530,172
Total Assets	<u>\$ 1,625,798</u>	<u>\$ 565,071</u>	<u>\$ 2,190,869</u>	<u>\$ 2,338,861</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities.				
Accounts payable	\$ 11,356	\$ -	\$ 11,356	\$ 5,323
Credit card payable (Note 6)	6,382	-	6,382	34,815
Accrued expenses	5,444	-	5,444	1,350
Grants payable (Note 7)	50,000	-	50,000	-
Total Liabilities	73,182	-	73,182	41,488
Net Assets.				
Unrestricted:	1,552,616	-	1,552,616	2,252,373
Temporarily restricted (Note 8)	-	565,071	565,071	45,000
Total Net Assets	1,552,616	565,071	2,117,687	2,297,373
Total Liabilities and Net Assets	<u>\$ 1,625,798</u>	<u>\$ 565,071</u>	<u>\$ 2,190,869</u>	<u>\$ 2,338,861</u>

See accompanying notes

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
<u>Public Support and Revenues:</u>				
Contributions	\$ 595,248	\$ 926,697	\$ 1,521,945	\$ 1,967,962
Symposium	232,450	-	232,450	276,875
Investment income	150,690	-	150,690	73,092
Unrealized gain/(loss) on investments	(19,725)	-	(19,725)	139,202
Net assets released from restrictions	416,626	(416,626)	-	-
 Total Public Support and Revenues	 <u>1,375,289</u>	 <u>510,071</u>	 <u>1,885,360</u>	 <u>2,457,131</u>
<u>Expenses:</u>				
Programs	1,818,950	-	1,818,950	1,731,980
Management and general	113,436	-	113,436	49,999
Fundraising	132,660	-	132,660	77,704
 Total Expenses	 <u>2,065,046</u>	 <u>-</u>	 <u>2,065,046</u>	 <u>1,859,683</u>
 Increase/(Decrease) in Net Assets	 (689,757)	 510,071	 (179,686)	 597,448
 Net Assets - Beginning of Year	 <u>2,242,373</u>	 <u>55,000</u>	 <u>2,297,373</u>	 <u>1,699,925</u>
 Net Assets - End of Year	 <u>\$ 1,552,616</u>	 <u>\$ 565,071</u>	 <u>\$ 2,117,687</u>	 <u>\$ 2,297,373</u>

See accompanying notes

THE MESOTHELIOMA APPLIED RESEARCH FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2007 Total</u>	<u>2006 Total</u>
Salaries and wages	\$ 306,887	\$ 52,799	\$ 65,424	\$ 425,110	\$ 329,791
Fringe benefits	12,263	2,110	2,614	16,987	18,179
Payroll taxes	20,768	3,573	4,428	28,769	22,259
Workers compensation	5,143	885	1,096	7,124	7,253
Pension	8,862	1,525	1,889	12,276	9,692
Grants	1,024,222	-	-	1,024,222	962,322
Accounting	4,008	15,028	1,002	20,038	23,133
Professional fees	4,232	15,868	1,058	21,158	13,948
Supplies	-	-	-	-	7,304
Telecommunications	7,553	448	1,211	9,212	4,731
Postage and shipping	11,405	482	1,241	13,128	21,326
Occupancy	33,235	2,737	3,129	39,101	31,376
Computer and internet	20,834	167	7,195	28,196	40,033
Printing	10,577	529	18,062	29,168	20,196
Publications and subscriptions	195	3,329	351	3,875	199
Advertising and marketing	26,647	672	1,560	28,879	7,716
Stipends	3,500	-	-	3,500	15,600
Filing fees	-	532	-	532	175
Travel	20,112	6,996	8,340	35,448	41,240
Newsletter	24,419	-	12,579	36,998	31,238
Event location rental	126,686	-	-	126,686	146,704
Event supplies	17,265	-	-	17,265	3,599
Depreciation and amortization	2,910	-	-	2,910	1,985
Office supplies	5,503	633	670	6,806	5,067
Bank service charges	663	4,250	-	4,913	5,101
Meals	4,670	716	622	6,008	5,041
Legislative counsel	114,500	-	-	114,500	82,500
Miscellaneous	1,891	157	189	2,237	1,975
Total Expenses - December 31, 2007	<u>\$ 1,818,950</u>	<u>\$ 113,436</u>	<u>\$ 132,660</u>	<u>\$ 2,065,046</u>	
Total Expenses - December 31, 2006	<u>\$ 1,731,980</u>	<u>\$ 49,999</u>	<u>\$ 77,704</u>		<u>\$ 1,859,683</u>

See accompanying notes