

Return of Organization Exempt From Income Tax

2005

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning Jul 1, 2005, and ending Jun 30, 2006

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: Torrey Pines Institute for Molecular Studies, Inc. D Employer Identification Number: 33-0319501

J Organization type: 501(c) 3. K Check here if the organization's gross receipts are normally not more than \$25,000.

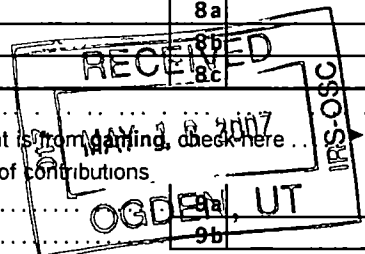
G Web site: www.tpims.org

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 7,896,123. M Check if the organization is not required to attach Schedule B.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with columns for line number, description, and amount. Includes rows for Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Special events, Gross sales of inventory, Other revenue, Total revenue, Expenses, and Net assets.

SCANNED JUN 26 2007



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**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I. |  | (A) Total     | (B) Program services | (C) Management and general | (D) Fundraising               |
|---|--|---------------|----------------------|----------------------------|-------------------------------|
| 22  | Grants and allocations (att sch) <i>Statement 3</i><br>(cash \$ <u>8,000.</u><br>non-cash \$ <u>0.</u> )<br>If this amount includes foreign grants, check here <input checked="" type="checkbox"/> ..... | 22 8,000.     | 8,000.               |                            |                               |
| 23  | Specific assistance to individuals (att sch) .....   | 23 0.         | 0.                   |                            |                               |
| 24  | Benefits paid to or for members (att sch) .....  | 24 0.         | 0.                   |                            |                               |
| 25  | Compensation of officers, directors, etc <i>Stmnt 19</i> .....   | 25 710,229.   | 598,328.             | 111,296.                   | 605.                          |
| 26  | Other salaries and wages .....   | 26 3,079,962. | 2,944,135.           | 135,397.                   | 430.                          |
| 27  | Pension plan contributions .....   | 27 163,370.   | 157,421.             | 5,877.                     | 72.                           |
| 28  | Other employee benefits .....  | 28 435,230.   | 440,778.             | -5,566.                    | 18.                           |
| 29  | Payroll taxes .....  | 29 228,468.   | 215,908.             | 12,511.                    | 49.                           |
| 30  | Professional fundraising fees .....  | 30 0.         | 0.                   | 0.                         | 0.                            |
| 31  | Accounting fees .....  | 31 63,176.    | 0.                   | 63,176.                    | 0.                            |
| 32  | Legal fees .....   | 32 24,714.    | 15,753.              | 8,961.                     | 0.                            |
| 33  | Supplies .....   | 33 908,284.   | 900,853.             | 7,431.                     | 0.                            |
| 34  | Telephone .....  | 34 189,457.   | 179,261.             | 10,194.                    | 2.                            |
| 35  | Postage and shipping .....   | 35 8,830.     | 4,462.               | 2,266.                     | 2,102.                        |
| 36  | Occupancy .....  | 36 1,074,543. | 1,051,576.           | 22,967.                    | 0.                            |
| 37  | Equipment rental and maintenance .....   | 37 113,507.   | 107,382.             | 6,125.                     | 0.                            |
| 38  | Printing and publications .....  | 38 4,724.     | 3,288.               | 1,436.                     | 0.                            |
| 39  | Travel .....   | 39 0.         | 0.                   | 0.                         | 0.                            |
| 40  | Conferences, conventions, and meetings .....   | 40 0.         | 0.                   | 0.                         | 0.                            |
| 41  | Interest .....   | 41 23,326.    | 22,679.              | 647.                       | 0.                            |
| 42  | Depreciation, depletion, etc (attach schedule) <i>Statement 4</i> .....  | 42 280,753.   | 279,077.             | 1,676.                     | 0.                            |
| 43  | Other expenses not covered above (itemize):  |               |                      |                            |                               |
|   | a <u>Conference &amp; travel</u> .....   | 43a 99,129.   | 68,056.              | 27,065.                    | 4,008.                        |
|   | b <u>Outside services</u> .....  | 43b 30,100.   | 20,144.              | 3,360.                     | 6,596.                        |
|   | c <u>License &amp; fees</u> .....  | 43c 38,079.   | 35,944.              | 2,035.                     | 100.                          |
|   | d <u>Miscellaneous</u> .....   | 43d 125,059.  | 134,363.             | -21,000.                   | 11,696.                       |
|   | e <u>Consulting</u> .....  | 43e 24,310.   | 24,310.              | 0.                         | 0.                            |
|   | f <u>Dues &amp; subscriptions</u> .....  | 43f 12,685.   | 9,236.               | 3,169.                     | 280.                          |
|   | g <u>See Other Expenses Stmt</u> .....   | 43g 116,048.  | 62,802.              | 53,246.                    | 0.                            |
| 44  | Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15) .....  | 44 7,761,983. | 7,283,756.           | 452,269.                   | <i>Statement 5</i><br>25,958. |

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? .....  Yes  No  
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

BAA



**Part IV Balance Sheets** (See Instructions)

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

|  |  | (A)<br>Beginning of year                                   |               | (B)<br>End of year |
|--|--|--|---------------|--------------------|
| ASSETS   | 45 Cash – non-interest-bearing .....   | 85,571.  | 45            | 20,789.            |
|  | 46 Savings and temporary cash investments .....  | 16,608.  | 46            | 25,433.            |
|  | 47a Accounts receivable .....  | 47a 143,783.   |               |                    |
|  | b Less: allowance for doubtful accounts .....  | 47b 0.   | 199,215.      | 47c 143,783.       |
|  | 48a Pledges receivable .....   | 48a 1,099,233.   |               |                    |
|  | b Less: allowance for doubtful accounts .....  | 48b 375,679.   | 868,933.      | 48c 723,554.       |
|  | 49 Grants receivable .....   |  | 394,031.      | 49 438,601.        |
|  | 50 Receivables from officers, directors, trustees, and key employees (attach schedule) .....   | Statement 8  | 150,000.      | 50 135,000.        |
|  | 51a Other notes & loans receivable (attach sch) .....  | 51a  |               |                    |
|  | b Less: allowance for doubtful accounts .....  | 51b  |               | 51c                |
|  | 52 Inventories for sale or use .....   |  |               | 52                 |
|  | 53 Prepaid expenses and deferred charges .....   |  | 46,224.       | 53 48,119.         |
|  | 54 Investments – securities (attach schedule) .....  | <input type="checkbox"/> Cost <input type="checkbox"/> FMV |               | 54                 |
|  | 55a Investments – land, buildings, & equipment: basis .....  | 55a  |               |                    |
|  | b Less: accumulated depreciation (attach schedule) .....   | 55b  |               | 55c                |
| 56 Investments – other (attach schedule) .....                             |  |  | 56            |                    |
| 57a Land, buildings, and equipment: basis .....                            | 57a 3,854,927.   |  |               |                    |
| b Less: accumulated depreciation (attach schedule) .....                   | 57b 3,103,211.   | 821,032.   | 57c 751,716.  |                    |
| 58 Other assets (describe <input type="checkbox"/> See Line 58 Stmt .....  |  | 877,993.   | 58 941,468.   |                    |
| 59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 ..... |  | 3,459,607.   | 59 3,228,463. |                    |
| LIABILITIES  | 60 Accounts payable and accrued expenses .....   | 1,213,028.   | 60            | 1,064,045.         |
|  | 61 Grants payable .....  |  | 61            |                    |
|  | 62 Deferred revenue .....  | 761,909.   | 62            | 1,044,764.         |
|  | 63 Loans from officers, directors, trustees, and key employees (attach schedule) .....   | 100,000.   | 63            | 0.                 |
|  | 64a Tax-exempt bond liabilities (attach schedule) .....  |  | 64a           |                    |
|  | b Mortgages and other notes payable (attach schedule) .....  | Statement 9  | 614,722.      | 64b 216,389.       |
|  | 65 Other liabilities (describe <input type="checkbox"/> .....  |  |               | 65                 |
| 66 <b>Total liabilities.</b> Add lines 60 through 65 .....                 |  | 2,689,659.   | 66 2,325,198. |                    |
| NET ASSETS OR FUND BALANCES  | <b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>                  |  |               |                    |
|  | 67 Unrestricted .....  | -101,560.  | 67            | 172,641.           |
|  | 68 Temporarily restricted .....  | 871,508.   | 68            | 730,624.           |
|  | 69 Permanently restricted .....  |  | 69            |                    |
|  | <b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>  |  |               |                    |
|  | 70 Capital stock, trust principal, or current funds .....  |  | 70            |                    |
|  | 71 Paid-in or capital surplus, or land, building, and equipment fund .....   |  | 71            |                    |
|  | 72 Retained earnings, endowment, accumulated income, or other funds .....  |  | 72            |                    |
|  | 73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) ..... |  | 769,948.      | 73 903,265.        |
|  | 74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....  |  | 3,459,607.    | 74 3,228,463.      |

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

|          |  |           |            |
|----------|--|-----------|------------|
| <b>a</b> | Total revenue, gains, and other support per audited financial statements ..... | <b>a</b>  | 8,407,843. |
| <b>b</b> | Amounts included on line <b>a</b> but not on Part I, line 12:                  |           |            |
|          | 1 Net unrealized gains on investments .....                                    | <b>b1</b> |            |
|          | 2 Donated services and use of facilities .....                                 | <b>b2</b> |            |
|          | 3 Recoveries of prior year grants .....  | <b>b3</b> |            |
|          | 4 Other (specify): _____   |           |            |
|          | <u>Statement 10</u> .....  | <b>b4</b> | 1,301,033. |
|          | Add lines <b>b1</b> through <b>b4</b> .....                                    | <b>b</b>  | 1,301,033. |
| <b>c</b> | Subtract line <b>b</b> from line <b>a</b> .....                                | <b>c</b>  | 7,106,810. |
| <b>d</b> | Amounts included on Part I, line 12, but not on line <b>a</b> :                |           |            |
|          | 1 Investment expenses not included on Part I, line 6b .....                    | <b>d1</b> |            |
|          | 2 Other (specify): _____   |           |            |
|          | <u>Statement 11</u> .....  | <b>d2</b> | 789,313.   |
|          | Add lines <b>d1</b> and <b>d2</b> .....  | <b>d</b>  | 789,313.   |
| <b>e</b> | <b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b> .....  | <b>e</b>  | 7,896,123. |

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

|          |  |           |            |
|----------|--|-----------|------------|
| <b>a</b> | Total expenses and losses per audited financial statements .....               | <b>a</b>  | 7,978,136. |
| <b>b</b> | Amounts included on line <b>a</b> but not on Part I, line 17:                  |           |            |
|          | 1 Donated services and use of facilities .....                                 | <b>b1</b> |            |
|          | 2 Prior year adjustments reported on Part I, line 20 .....                     | <b>b2</b> |            |
|          | 3 Losses reported on Part I, line 20 .....                                     | <b>b3</b> |            |
|          | 4 Other (specify): _____   |           |            |
|          | <u>Statement 12</u> .....  | <b>b4</b> | 1,433,153. |
|          | Add lines <b>b1</b> through <b>b4</b> .....                                    | <b>b</b>  | 1,433,153. |
| <b>c</b> | Subtract line <b>b</b> from line <b>a</b> .....                                | <b>c</b>  | 6,544,983. |
| <b>d</b> | Amounts included on Part I, line 17, but not on line <b>a</b> :                |           |            |
|          | 1 Investment expenses not included on Part I, line 6b .....                    | <b>d1</b> |            |
|          | 2 Other (specify): _____   |           |            |
|          | <u>Statement 13</u> .....  | <b>d2</b> | 1,217,000. |
|          | Add lines <b>d1</b> and <b>d2</b> .....  | <b>d</b>  | 1,217,000. |
| <b>e</b> | <b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b> ..... | <b>e</b>  | 7,761,983. |

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

| (A) Name and address   | (B) Title and average hours per week devoted to position | (C) Compensation (if not paid, enter -0-) | (D) Contributions to employee benefit plans and deferred compensation plans | (E) Expense account and other allowances |
|--|--|---|---|--|
| Richard Houghten, PhD<br>3550 General Atomics Court<br>San Diego, CA 92121 | President 32   | 233,250.                                  | 53,831.   | 0.                                       |
| Peggy Totzke<br>3550 General Atomics Court<br>San Diego, CA 92121          | COO/CFO 40   | 222,510.                                  | 39,808.   | 0.                                       |
| Karen Garitta<br>3550 General Atomics Court<br>San Diego, CA 92121         | Secretary/VP Admin 40                                    | 117,374.                                  | 43,456.   | 0.                                       |
| William Beers<br>3550 General Atomics Court<br>San Diego, CA 92121         | Chair, Board of Trustees 1-2                             | 0.  | 0.  | 0.                                       |
| Garland Marshall<br>3550 General Atomics Court<br>San Diego, CA 92121      | Trustee 1-2  | 0.  | 0.  | 0.                                       |
| See List of Officers, Etc. Statement                                       |  |   |   |  |



**Part VI Other Information** (continued)

|             |   | Yes  | No |
|-------------|---|------|----|
| <b>82 a</b> | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?   |      | X  |
| <b>b</b>    | If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)  |      |    |
| <b>82 b</b> |   |      |    |
| <b>83 a</b> | Did the organization comply with the public inspection requirements for returns and exemption applications?   | X    |    |
| <b>b</b>    | Did the organization comply with the disclosure requirements relating to quid pro quo contributions?  | X    |    |
| <b>83 b</b> |   |      |    |
| <b>84 a</b> | Did the organization solicit any contributions or gifts that were not tax deductible?   |      | X  |
| <b>b</b>    | If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?   |      |    |
| <b>84 b</b> |   |      |    |
| <b>85</b>   | <b>501(c)(4), (5), or (6) organizations.</b> <b>a</b> Were substantially all dues nondeductible by members?   | N/A  |    |
| <b>b</b>    | Did the organization make only in-house lobbying expenditures of \$2,000 or less?<br>If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.   | N/A  |    |
| <b>85 a</b> |   |      |    |
| <b>85 b</b> |   |      |    |
| <b>c</b>    | Dues, assessments, and similar amounts from members   | N/A  |    |
| <b>85 c</b> |   |      |    |
| <b>d</b>    | Section 162(e) lobbying and political expenditures  | N/A  |    |
| <b>85 d</b> |   |      |    |
| <b>e</b>    | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices  | N/A  |    |
| <b>85 e</b> |   |      |    |
| <b>f</b>    | Taxable amount of lobbying and political expenditures (line 85d less 85e)   | N/A  |    |
| <b>85 f</b> |   |      |    |
| <b>g</b>    | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?   | N/A  |    |
| <b>85 g</b> |   |      |    |
| <b>h</b>    | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?  | N/A  |    |
| <b>85 h</b> |   |      |    |
| <b>86</b>   | <b>501(c)(7) organizations.</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12   | N/A  |    |
| <b>86 a</b> |   |      |    |
| <b>b</b>    | Gross receipts, included on line 12, for public use of club facilities  | N/A  |    |
| <b>86 b</b> |   |      |    |
| <b>87</b>   | <b>501(c)(12) organizations.</b> Enter: <b>a</b> Gross income from members or shareholders  | N/A  |    |
| <b>87 a</b> |   |      |    |
| <b>b</b>    | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)   | N/A  |    |
| <b>87 b</b> |   |      |    |
| <b>88</b>   | At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?<br>If 'Yes,' complete Part IX   | X    |    |
| <b>89 a</b> | <b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under:<br>section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.  |      |    |
| <b>b</b>    | <b>501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction  |      | X  |
| <b>89 b</b> |   |      |    |
| <b>c</b>    | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958   |      | 0. |
| <b>d</b>    | Enter: Amount of tax on line 89c, above, reimbursed by the organization   |      | 0. |
| <b>90 a</b> | List the states with which a copy of this return is filed ▶ <u>Statement 16</u>   |      |    |
| <b>b</b>    | Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)   | 90 b | 62 |
| <b>91 a</b> | The books are in care of ▶ <u>Peggy Totzke</u> Telephone number ▶ <u>(858) 455-3803</u><br>Located at ▶ <u>3550 General Atomics Court, San Diego, CA</u> ZIP + 4 ▶ <u>92121-1122</u>  |      |    |
| <b>b</b>    | At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?<br>If 'Yes,' enter the name of the foreign country ▶ _____<br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements | 91 b | X  |
| <b>c</b>    | At any time during the calendar year, did the organization maintain an office outside of the United States?<br>If 'Yes,' enter the name of the foreign country ▶ _____  | 91 c | X  |
| <b>92</b>   | <b>Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041</b> — Check here <input type="checkbox"/><br>and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ <u>92</u>  |      |    |

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

Note: Enter gross amounts unless otherwise indicated.

|  | Unrelated business income |               | Excluded by section 512, 513, or 514 |               | (E)<br>Related or exempt<br>function income |
|--|---------------------------|---------------|--------------------------------------|---------------|---|
|  | (A)<br>Business code      | (B)<br>Amount | (C)<br>Exclusion code                | (D)<br>Amount |   |
| 93 Program service revenue:                                  |                           |               |                                      |               |   |
| a Research grants  |                           |               |                                      |               | 125,591.                                    |
| b Research contracts   |                           |               |                                      |               | 848,651.                                    |
| c  |                           |               |                                      |               |   |
| d  |                           |               |                                      |               |   |
| e  |                           |               |                                      |               |   |
| f Medicare/Medicaid payments                                 |                           |               |                                      |               |   |
| g Fees & contracts from government agencies                  |                           |               |                                      |               |   |
| 94 Membership dues and assessments                           |                           |               |                                      |               |   |
| 95 Interest on savings & temporary cash invmnts              |                           |               | 14                                   | 2,797.        |   |
| 96 Dividends & interest from securities                      |                           |               |                                      |               |   |
| 97 Net rental income or (loss) from real estate:             |                           |               |                                      |               |   |
| a debt-financed property                                     |                           |               |                                      |               |   |
| b not debt-financed property                                 |                           |               |                                      |               |   |
| 98 Net rental income or (loss) from pers prop                |                           |               |                                      |               |   |
| 99 Other investment income                                   |                           |               | 15                                   | 51,500.       |   |
| 100 Gain or (loss) from sales of assets other than inventory |                           |               |                                      |               |   |
| 101 Net income or (loss) from special events                 |                           |               |                                      |               |   |
| 102 Gross profit or (loss) from sales of inventory           |                           |               |                                      |               |   |
| 103 Other revenue: a   |                           |               |                                      |               |   |
| b Vivarium income  | 541900                    | 97,930.       |                                      |               |   |
| c Miscellaneous  |                           |               | 01                                   | 54,374.       |   |
| d Interest from receivable                                   |                           |               | 01                                   | 15,219.       |   |
| e  |                           |               |                                      |               |   |
| 104 Subtotal (add columns (B), (D), and (E))                 |                           | 97,930.       |                                      | 123,890.      | 974,242.                                    |
| 105 Total (add line 104, columns (B), (D), and (E))          |                           |               |                                      |               | 1,196,062.                                  |

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

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

| Line No. | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). |
|----------|---|
| 93a      | Statement 17  |

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

| (A)<br>Name, address, and EIN of corporation, partnership, or disregarded entity       | (B)<br>Percentage of ownership interest | (C)<br>Nature of activities      | (D)<br>Total income | (E)<br>End-of-year assets |
|--|---|----------------------------------|---------------------|---------------------------|
| Torrey Pines Synthetic Services Inc<br>3550 General Atomics Ct.<br>San Diego, CA 92121 | 100.0000 %                              | scientific consulting & analysis | -825.               | 170,044.                  |
|  | %                                       |                                  |                     |                           |
|  | %                                       |                                  |                     |                           |
|  | %                                       |                                  |                     |                           |

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay
  - b Did the organization, during the year, pay premiums, directly or indirectly, on
- Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including attachments, and all information provided, and I believe it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

Signature of officer: *Peggy Totzke*

Type or print name and title: Peggy Totzke, COO/CFO

---

Paid Preparer's Use Only

Preparer's signature: *Patricia Jo Mayer*

Firm's name (or yours if self-employed), address, and ZIP + 4: Moss Adams LLP, 9665 Granite Ridge Drive, San Diego, CA 92123

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

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

OMB No. 1545-0047

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

**2005**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization: **Torrey Pines Institute for Molecular Studies, Inc.**  
Employer identification number: **33-0319501**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions. List each one. If there are none, enter 'None'.)

| (a) Name and address of each employee paid more than \$50,000               | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| <u>Eli Sercarz</u><br>3550 General Atomics Court, San Diego, CA 92121       | Member 40  | 153,066.         | 37,205.   | 0.                                       |
| <u>Vipin Kumar</u><br>3550 General Atomics Court, San Diego, CA 92121       | Member 40  | 130,094.         | 41,344.   | 0.                                       |
| <u>John Ostresh</u><br>3550 General Atomics Court, San Diego, CA 92121      | Dir. of Chemistry 40                                     | 108,778.         | 33,070.   | 0.                                       |
| <u>Alan Kleinfeld</u><br>3550 General Atomics Court, San Diego, CA 92121    | Member 40  | 96,545.          | 40,206.   | 0.                                       |
| <u>Clemencia Pinilla</u><br>3550 General Atomics Court, San Diego, CA 92121 | Assoc. Member 40   | 101,860.         | 37,106.   | 0.                                       |
| Total number of other employees paid over \$50,000 ▶                        | 18   |                  |   |  |

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| <u>Moss Adams LLP</u><br>9665 Granite Ridge Drive, San Diego, CA 92123      | Accounting          | 71,445.          |
| -----   |                     |                  |
| -----   |                     |                  |
| -----   |                     |                  |
| -----   |                     |                  |
| Total number of others receiving over \$50,000 for professional services ▶  | None                |                  |

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

| (a) Name and address of each independent contractor paid more than \$50,000    | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| <u>None</u>  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| -----  |                     |                  |
| Total number of other contractors receiving over \$50,000 for other services ▶ | None                |                  |

**Part III** Statements About Activities (See instructions.)

|   | Yes | No |
|---|-----|----|
| 1. During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities . . . . . ▶ \$ _____<br>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) . . . . .  | 1   | X  |
| Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.   |     |    |
| 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.) |     |    |
| a Sale, exchange, or leasing of property? . . . . . <i>Statement 18</i>   | 2a  | X  |
| b Lending of money or other extension of credit? . . . . . <i>Statement 8</i>   | 2b  | X  |
| c Furnishing of goods, services, or facilities? . . . . . <i>Statement 18</i>   | 2c  | X  |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . . <i>See Part V, Form 990</i>   | 2d  | X  |
| e Transfer of any part of its income or assets? . . . . .   | 2e  | X  |
| 3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.) . . . . .  | 3a  | X  |
| b Do you have a section 403(b) annuity plan for your employees? . . . . .   | 3b  | X  |
| c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)? . . . . .  | 3c  | X  |
| 4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .  | 4a  | X  |
| b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .   | 4b  | X  |

**Part IV** Reason for Non-Private Foundation Status (See instructions.)

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

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

Provide the following information about the supported organizations. (See instructions.)

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

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

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

| Calendar year (or fiscal year beginning in) .....   | (a)<br>2004        | (b)<br>2003        | (c)<br>2002     | (d)<br>2001 | (e)<br>Total           |
|---|--------------------|--------------------|-----------------|-------------|------------------------|
| <b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) ..   | 6,202,587.         | 6,639,378.         | 7,219,179.      | 5,421,228.  | 25,482,372.            |
| <b>16</b> Membership fees received .....  |                    |                    |                 |             |                        |
| <b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose .....  | 630,804.           | 379,912.           | 1,098,097.      | 72,667.     | 2,181,480.             |
| <b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 .....  | 71,114.            | 183,784.           | 52,288.         | 22,368.     | 329,554.               |
| <b>19</b> Net income from unrelated business activities not included in line 18 .....   | 243,202.           | 227,971.           | 41,229.         | 63,271.     | 575,673.               |
| <b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf .....  |                    |                    |                 |             |                        |
| <b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge .....  |                    |                    |                 |             |                        |
| <b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets .....  |                    |                    |                 |             |                        |
| <b>23</b> Total of lines 15 through 22 ..   | 7,147,707.         | 7,431,045.         | 8,410,793.      | 5,579,534.  | 28,569,079.            |
| <b>24</b> Line 23 minus line 17 .....   | 6,516,903.         | 7,051,133.         | 7,312,696.      | 5,506,867.  | 26,387,599.            |
| <b>25</b> Enter 1% of line 23 .....   | 71,477.            | 74,310.            | 84,108.         | 55,795.     |                        |
| <b>26 Organizations described on lines 10 or 11:</b>  |                    |                    |                 |             |                        |
| <b>a</b> Enter 2% of amount in column (e), line 24 .....  |                    |                    |                 |             | <b>26a</b> 527,752.    |
| <b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts .....   |                    |                    |                 |             | <b>26b</b>             |
| <b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e) .....  |                    |                    |                 |             | <b>26c</b> 26,387,599. |
| <b>d</b> Add: Amounts from column (e) for lines:  | <b>18</b> 329,554. | <b>19</b> 575,673. |                 |             | <b>26d</b> 905,227.    |
| <b>e</b> Public support (line 26c minus line 26d total) .....   |                    |                    |                 |             | <b>26e</b> 25,482,372. |
| <b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)) .....   |                    |                    |                 |             | <b>26f</b> 96.57 %     |
| <b>27 Organizations described on line 12:</b>   |                    |                    |                 |             |                        |
| <b>a</b> For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:<br>(2004) _____ (2003) _____ (2002) _____ (2001) _____   |                    |                    |                 |             |                        |
| <b>b</b> For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:<br>(2004) _____ (2003) _____ (2002) _____ (2001) _____ |                    |                    |                 |             |                        |
| <b>c</b> Add: Amounts from column (e) for lines:  | <b>15</b> _____    | <b>16</b> _____    |                 |             | <b>27c</b> _____       |
| <b>d</b> Add: Line 27a total .....  | <b>17</b> _____    | <b>20</b> _____    | <b>21</b> _____ |             |                        |
| <b>e</b> Public support (line 27c total minus line 27d total) .....   |                    |                    |                 |             | <b>27e</b> _____       |
| <b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ..   |                    |                    |                 |             | <b>27f</b> _____       |
| <b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator)) .....   |                    |                    |                 |             | <b>27g</b> %           |
| <b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) .....   |                    |                    |                 |             | <b>27h</b> %           |
| <b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.   |                    |                    |                 |             |                        |

**Part V Private School Questionnaire** (See instructions.)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

|     |   | N/A |    |
|-----|---|-----|----|
|     |   | Yes | No |
| 29  | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....   |     |    |
| 30  | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....  |     |    |
| 31  | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? ..... |     |    |
|     | If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)<br>-----<br>-----<br>-----   |     |    |
| 32  | Does the organization maintain the following:   |     |    |
|     | a Records indicating the racial composition of the student body, faculty, and administrative staff? .....   |     |    |
|     | b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....   |     |    |
|     | c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....   |     |    |
|     | d Copies of all material used by the organization or on its behalf to solicit contributions? .....  |     |    |
|     | If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)<br>-----<br>-----  |     |    |
| 33  | Does the organization discriminate by race in any way with respect to:  |     |    |
|     | a Students' rights or privileges? .....   |     |    |
|     | b Admissions policies? .....  |     |    |
|     | c Employment of faculty or administrative staff? .....  |     |    |
|     | d Scholarships or other financial assistance? .....   |     |    |
|     | e Educational policies? .....   |     |    |
|     | f Use of facilities? .....  |     |    |
|     | g Athletic programs? .....  |     |    |
|     | h Other extracurricular activities? .....   |     |    |
|     | If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)<br>-----<br>-----   |     |    |
| 34a | Does the organization receive any financial aid or assistance from a governmental agency? .....   |     |    |
|     | b Has the organization's right to such aid ever been revoked or suspended? .....  |     |    |
|     | If you answered 'Yes' to either 34a or b, please explain using an attached statement.   |     |    |
| 35  | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation. ....   |     |    |

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions.)  
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

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

| <b>Limits on Lobbying Expenditures</b>   |   | (a)<br>Affiliated group<br>totals                       | (b)<br>To be completed<br>for ALL electing<br>organizations |
|--|---|---|---|
| (The term 'expenditures' means amounts paid or incurred.)                                    |   |   |   |
| <b>36</b>  | Total lobbying expenditures to influence public opinion (grassroots lobbying) ..... | <b>36</b>   |   |
| <b>37</b>  | Total lobbying expenditures to influence a legislative body (direct lobbying) ..... | <b>37</b>   |   |
| <b>38</b>  | Total lobbying expenditures (add lines 36 and 37) .....                             | <b>38</b>   |   |
| <b>39</b>  | Other exempt purpose expenditures .....   | <b>39</b>   |   |
| <b>40</b>  | Total exempt purpose expenditures (add lines 38 and 39) .....                       | <b>40</b>   |   |
| <b>41</b>  | Lobbying nontaxable amount. Enter the amount from the following table --            |   |   |
|  | <b>If the amount on line 40 is --</b>   |   |   |
|  | <b>The lobbying nontaxable amount is --</b>   |   |   |
|  | Not over \$500,000 .....  | 20% of the amount on line 40 .....                      |   |
|  | Over \$500,000 but not over \$1,000,000 .....                                       | \$100,000 plus 15% of the excess over \$500,000 .....   |   |
|  | Over \$1,000,000 but not over \$1,500,000 .....                                     | \$175,000 plus 10% of the excess over \$1,000,000 ..... |   |
|  | Over \$1,500,000 but not over \$17,000,000 .....                                    | \$225,000 plus 5% of the excess over \$1,500,000 .....  |   |
|  | Over \$17,000,000 .....   | \$1,000,000 .....                                       |   |
| <b>42</b>  | Grassroots nontaxable amount (enter 25% of line 41) .....                           | <b>42</b>   |   |
| <b>43</b>  | Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36. ....      | <b>43</b>   |   |
| <b>44</b>  | Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38. ....      | <b>44</b>   |   |
| <b>Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.</b> |   |   |   |

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

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

| Calendar year<br>(or fiscal year<br>beginning in) ▶               | Lobbying Expenditures During 4-Year Averaging Period |             |             |             |              |
|---|--|-------------|-------------|-------------|--------------|
|   | (a)<br>2005  | (b)<br>2004 | (c)<br>2003 | (d)<br>2002 | (e)<br>Total |
| <b>45</b> Lobbying nontaxable amount .....                        |  |             |             |             |              |
| <b>46</b> Lobbying ceiling amount<br>(150% of line 45(e)) .....   |  |             |             |             |              |
| <b>47</b> Total lobbying expenditures .....                       |  |             |             |             |              |
| <b>48</b> Grassroots non-taxable amount .....                     |  |             |             |             |              |
| <b>49</b> Grassroots ceiling amount<br>(150% of line 48(e)) ..... |  |             |             |             |              |
| <b>50</b> Grassroots lobbying expenditures .....                  |  |             |             |             |              |

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

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

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

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



Form 990, Page 2, Part II, Line 43

**Other Expenses Stmt**

|   | (A)<br>Total    | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|---|-----------------|----------------------------|----------------------------------|--------------------|
| Other expenses not covered above (itemize): |                 |                            |                                  |                    |
| <u>Recruiting</u>                           | <u>8,369.</u>   | <u>7,744.</u>              | <u>625.</u>                      | <u>0.</u>          |
| <u>Taxes-UBI</u>                            | <u>41,540.</u>  | <u>0.</u>                  | <u>41,540.</u>                   | <u>0.</u>          |
| <u>Insurance</u>                            | <u>34,444.</u>  | <u>23,363.</u>             | <u>11,081.</u>                   | <u>0.</u>          |
| <u>Waste Removal</u>                        | <u>8,964.</u>   | <u>8,964.</u>              | <u>0.</u>                        | <u>0.</u>          |
| <u>Amortization</u>                         | <u>22,731.</u>  | <u>22,731.</u>             | <u>0.</u>                        | <u>0.</u>          |
| Total                                       | <u>116,048.</u> | <u>62,802.</u>             | <u>53,246.</u>                   | <u>0.</u>          |

Form 990, Page 5, Part V-A

**List of Officers, Etc. Statement**

| (A)<br>Name and address   | (B)<br>Title and<br>average hours per<br>week devoted<br>to position | (C)<br>Compensation<br>(if not paid,<br>enter -0-) | (D)<br>Contributions<br>to employee<br>benefit plans<br>and deferred<br>compensation | (E)<br>Expense<br>account<br>and other<br>allowances |
|---|--|--|--|--|
| <u>Roland Martin</u><br><u>3550 General Atomics Court</u><br><u>San Diego, CA 92121</u> | <u>Trustee</u><br><u>1-2 ho</u>                                      | <u>0.</u>  | <u>0.</u>  | <u>0.</u>  |
| <u>Robin Offord</u><br><u>3550 General Atomics Court</u><br><u>San Diego, CA 92121</u>  | <u>Trustee</u><br><u>1-2 ho</u>                                      | <u>0.</u>  | <u>0.</u>  | <u>0.</u>  |
| <u>N. Jeff Oman</u><br><u>3550 General Atomics Court</u><br><u>San Diego, CA 92121</u>  | <u>Trustee</u><br><u>1-2 ho</u>                                      | <u>0.</u>  | <u>0.</u>  | <u>0.</u>  |
| <u>Patricia Wu</u><br><u>3550 General Atomics Court</u><br><u>San Diego, CA 92121</u>   | <u>Trustee</u><br><u>1-2 ho</u>                                      | <u>0.</u>  | <u>0.</u>  | <u>0.</u>  |

Form 990, Page 4, Part IV, Lines 57a &amp; 57b

**Land, Buildings and Equipment Statement**

|                                | (a)<br>Cost/Other<br>Basis | (b)<br>Accumulated<br>Depreciation | (c)<br>Book Value |
|--------------------------------|----------------------------|------------------------------------|-------------------|
| <u>Machinery and equipment</u> | <u>3,168,260.</u>          | <u>2,525,101.</u>                  | <u>643,159.</u>   |
| <u>Furniture and fixtures</u>  | <u>112,640.</u>            | <u>107,059.</u>                    | <u>5,581.</u>     |
| <u>Leasehold improvements</u>  | <u>574,027.</u>            | <u>471,051.</u>                    | <u>102,976.</u>   |
| Total                          | <u>3,854,927.</u>          | <u>3,103,211.</u>                  | <u>751,716.</u>   |

Form 990, Page 4, Part IV, Line 58

**Other Assets Statement**

| <b>Line 58 - Other Assets:</b>         | <b>Beginning<br/>of Year</b> | <b>End of<br/>Year</b> |
|--|------------------------------|------------------------|
| <u>Security Deposit</u>                | <u>123,083.</u>              | <u>123,245.</u>        |
| <u>Patents</u>                         | <u>526,639.</u>              | <u>581,666.</u>        |
| <u>Investments in subsidiary</u>       | <u>170,869.</u>              | <u>170,044.</u>        |
| <u>License/Royalty fees receivable</u> | <u>10,000.</u>               | <u>10,000.</u>         |
| <u>Other current assets</u>            | <u>47,402.</u>               | <u>56,513.</u>         |
| Total                                  | <u>877,993.</u>              | <u>941,468.</u>        |

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 1**

Part I, Line 1b

**Indirect Public Support**

Amounts reported as indirect support include funds received from a 501(c)(3) corporation and are reported net of expenses incurred and retained by that 501(c)(3) corporation. Indirect support is also reported net of estimated allowances for uncollectible pledges.

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

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**STATEMENT 2**

Part I, Line 20

**Other changes in net assets or fund balances**

DESCRIPTION

AMOUNT

Net loss from for-profit subsidiary included in book fund balance

\$ (825)

Rounding

2

Total

\$ (823)

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

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**STATEMENT 3**

Form 990, Part II, Line 22

**Grants and Allocations**

Grant Recipient:

Research Institute Vall d'Hebron University Hospital

Recipient's Address:

Passeig Vall d'Hebron, 119-129

08035 Barcelona, Spain

Grant Amount:

Total

\$ 8,000

\$ 8,000

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

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**STATEMENT 4**

Part II, Line 42

Depreciation, depletion, etc.

| <u>DESCRIPTION</u>       | <u>6/30/2005<br/>BALANCE</u> | <u>CURRENT<br/>ADDITIONS</u> | <u>CURRENT<br/>DISPOSALS</u> | <u>6/30/2006<br/>BALANCE</u> |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Machinery and equipment  | 3,242,937                    | 292,123                      | (366,801)                    | 3,168,259                    |
| Furniture and fixtures   | 107,950                      | 5,980                        | (1,290)                      | 112,640                      |
| Leasehold improvements   | <u>567,926</u>               | <u>6,101</u>                 | <u>-</u>                     | <u>574,027</u>               |
| Total Cost               | 3,918,813                    | 304,204                      | (368,091)                    | 3,854,926                    |
| Accumulated depreciation | <u>(3,097,781)</u>           | <u>(367,610)</u>             | <u>362,181</u>               | <u>(3,103,210)</u>           |
| Net Fixed Assets         | <u><u>821,032</u></u>        | <u><u>(63,406)</u></u>       | <u><u>(5,910)</u></u>        | <u><u>751,716</u></u>        |

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

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**STATEMENT 5**

Part II, Line 44, Column (D)

Total functional expenses - Fundraising

This organization receives the majority of its funding through government contributions (grants), thus fundraising expense incurred is not material.

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 6**

Part III

Organization's primary exempt purpose

EXPLANATION

The Institute's primary exempt purpose is to conduct fundamental biomedical research and to make the results of such research available to the public.

STATEMENT 7  
2005 Form 990, Part III

Statement of Program Service Accomplishments

a. **MULTIPLE SCLEROSIS:** The Multiple Sclerosis National Research Institute (the "MS Institute") is a division of TPIMS devoted to studying the causes, diagnosis, and possible treatments for MS, with the ultimate goal of finding a cure. Our world-renowned scientists conduct the research needed to understand and treat this disease, so that all MS patients may return to living healthy and disease-free lives. Ongoing research includes studies to understand the causes of MS, the development of treatments for MS, and the design of novel strategies for the development of vaccines against MS.

Understanding MS

Why does the immune system attack and destroy the myelin sheath? Under a grant previously funded by a different source, Dr. Eli Sercarz, a world-renowned MS researcher, discovered that EAE, an MS disease model used in the laboratory, can be induced by a specific group of immune cells, or T cells, that "drive" the disease. Here at the MS Institute, the laboratory of Dr. Sercarz is now investigating these "driver" immune cells in more detail, hoping to determine why and how these specific "driver" cells induce inflammation, causing such detrimental effects on the brain and spinal cord.

The MS Institute also supports the work of another world-renowned researcher, Dr. Vipin Kumar. Dr. Kumar's team is exploring the mechanisms that the immune system uses to turn off the immune attack. There exists a natural immune response that can cause spontaneous recovery from EAE (the laboratory model for MS). By understanding this process of spontaneous recovery, Dr. Kumar hopes to arrive at information required to design strategies to reeducate the immune system to recognize the myelin sheath tissue as "self", rather than as foreign tissue.

Treating MS

The most common form of MS, called relapsing-remitting MS ("RR-MS"), affects approximately 85% of patients. There are currently five FDA-approved treatments for RR-MS, one of which is Copaxone®. Copaxone® is at least as efficacious as the other treatments, but sometimes with significant side effects. At the MS Institute, Drs. Richard Houghten and Clemencia Pinilla began this project by accessing the MS Institute's "combinatorial libraries" – millions to trillions of compounds organized in a mixture format. Next, they used the MS Institute's patented methods for screening these libraries. Using the resulting data, they designed a "custom library". Within this custom library they discovered new potential drug candidates which are as effective as Copaxone® in laboratory studies using the EAE model for MS. In collaboration with Dr. Roland Martin and his team at the Research Institute Vall d'Hebron University Hospital in Barcelona, Spain, Pinilla and Houghten are guiding these new drug candidates as they move towards further testing in early stage clinical trials. During the year, \$8,000 US was provided to Vall d'Hebron University Hospital in order to conduct this research and to train a postdoctoral research fellow.

Curing MS

Vaccines may hold the promise of a cure for MS. Scientists at the MS Institute are testing a variety of strategies for designing a vaccine against MS.

Dr. Eli Sercarz' work, described earlier, is focused on understanding MS by studying the "driver" T cells which he discovered to be responsible for inducing inflammation in EAE. Using a strategy that is similar to that used to develop vaccines against viruses, Dr. Sercarz's group is testing the possibility that immunization of models that are susceptible to EAE with the "driver" clones might stimulate immune cells that will prevent the action of the "driver" cells. This approach could result in a new vaccine strategy for MS.

Dr. Vipin Kumar has a similar dual goal. He hopes to advance the understanding of MS by discovering how a natural immune response to EAE allows spontaneous recovery from EAE. By investigating the specifics of this mechanism, and uncovering a way to stimulate the production of the body's own regulatory cells, he hopes to find answers which are instrumental in designing more effective vaccines against MS.

Another approach to find vaccines begins with the use of the MS Institute's "combinatorial libraries" – similar to those used to identify the "Copaxone®-mimic" described earlier. Using the MS Institute's patented libraries and screening methods, Dr. Darcy Wilson is systematically searching the libraries for peptide compounds which show a wide range of biological activity against a T cell clone known to cause EAE. The important finding thus far is that some of these library-defined peptides activate the T cell clone to cause disease, while others are very effective at blocking this disease-causing activity. By identifying active compounds that prevent the development of disease, or that modify ongoing disease, Wilson hopes to use these compounds for the development of vaccines to down-regulate the underlying autoimmune process in MS.

During FY06, our research and related program services were supported by very generous donations from hundreds of thousands of individuals via workplace campaigns, such as the Combined Federal Campaign, United Way and Neighbor to Nation. Our work is also supported by ongoing grants from the National Institutes of Health, and one small private foundation grant.

*Program Expense: Multiple Sclerosis* *\$ 1,380,240*

b. **CANCER and AGING:** Instead of the standard treatments for cancer (surgery, chemotherapy and radiation), scientists at our Institute believe that with the identification of new compounds, they can use the power of the body's immune system to combat cancer. One scientist works on inducing immunity in T cell lymphomas; another induces the immune system to destroy certain carcinomas which contain a specific type of carbohydrate. Another scientist, working specifically with prostate cancer, is studying how to convert a certain "microenvironment" into a "killing environment" against prostate tumor cells. A new project aimed directly at prostate cancer started during the past year. Our scientists work with various forms of cancer cells, including breast cancer, prostate cancer and melanoma. A new project for this past year is for lung cancer. Other areas of aging-related research include cachexia, Alzheimer's disease, and influenza in the aging population. Our researchers are quite well-known, and we have established cooperative research partnerships with scientists at other institutions from around the world. We are funded by grants received from the National Institutes of Health, Department of Defense, and Alzheimer's and Aging Research Center, as well as by contracts with biotechnology companies and generous donations from the public.

*Program Expense: Cancer and Aging* *\$1,088,449*

c. **DIABETES:** According to the National Institutes of Health, diabetes affects more than 16,000,000 Americans every year. We conduct research to understand the causes, diagnosis, treatment and prevention of type 1 and type 2 diabetes. We conduct research focused on the many health complications that arise from diabetes. "Free fatty acids" are molecules in our bodies that interact with proteins, membranes and cells of the immune system. We study the many ways that these molecules behave, including methods of measuring them in human blood. Besides diabetes, a number of diseases such as cancer, sepsis and ischemia, can result in changes in the levels of free fatty acid molecules in the blood. It is possible that early detection of free fatty acid molecule levels in the blood can result in earlier detection of diabetes and other diseases. Our scientists also study various types of T cells to determine how certain types fight against type 1 diabetes, how type 1 diabetes can cause cachexia, how to prevent rejection of transplanted islet cells, and how to help with the neuropathic pain suffered by many type 1 patients. Our research is supported by grants from the National Institutes of Health, Diabetes National Research Group, Juvenile Diabetes Research Foundation, and by donations made by individuals and corporations.

*Program Expense: Diabetes* *\$ 557,599*

d. **CHEMISTRY:** When Torrey Pines Institute for Molecular Studies first opened its laboratories sixteen years ago, its main research focus was in the area of chemistry. The research resulted in a new method of drug discovery called, "combinatorial chemistry", which is now being used by researchers worldwide to help find new drugs and diagnostics for diseases. This group also supports all of the other research being conducted at our Institute by providing the "chemical libraries" needed for those groups in their search for vaccines, therapeutics, and diagnostic compounds. As a result of the methods invented and developed in our chemistry laboratories, we have been able to make significant progress in all of our research groups. We now partner with other research centers to make compounds to be used by researchers all over the world in areas such as cancer research. Research results have been presented to the public in hundreds of scientific journal articles and in scientific presentations worldwide. We have trained many scientists in these methods not only in San Diego, but also across the United States and around the world. This group is supported by the National Institutes of Health, National Science Foundation, the State of California, various corporate research contracts, and generous donations from the public.

*Program Expense: Chemistry*

**\$855,105**

e. **INFECTIOUS DISEASE:** Antibiotic resistance has become overwhelmingly commonplace as more bacterial and viral strains adapt to current treatments and are becoming more difficult to cure. Our research is focused on finding new compounds to fight bacteria, viruses, parasites and fungi. Several compounds we have developed thus far are being investigated by a pharmaceutical company for further development. Our hope is that eventually these compounds will play a major role in treatments for bacterial and fungal infections.

Despite the efforts of thousands of researchers around the world, there is still no known cure for AIDS. The most popular treatment for AIDS patients today is providing medication that helps prevent the virus that causes AIDS, HIV-1, from replicating itself inside the body. We are screening different compounds to develop drugs to combat HIV-1 and possibly develop a vaccine. One scientist is studying "virus-like particles" as a platform for an HIV vaccine. These particles are synthetic; they look and act like HIV, but are non-infectious. Another scientist focuses on the many opportunistic infections that invade immunocompromised individuals, hoping to arrive at methods for treating those patients when they become attacked by viruses that their immune system can not fight.

Additional programs include studying Leishmania, a parasite that causes "black fever" in 3<sup>rd</sup>-world countries. A new program started during this fiscal year is a very large cooperative project, being carried out in conjunction with several other research institutes. It involves the underlying mechanisms of small-pox virus infections, and how these mechanisms can translate to vaccines for other viruses.

Funding for these research programs was provided by grants from the National Institutes of Health and from AIDS & Infectious Disease Science Center, various corporate contracts and donations from the public.

*Program Expense: Infectious Diseases*

**\$2,462,240**

f. **TRANSPLANTATION, TRAUMA-INDUCED SHOCK, AND GENETICS:** These researchers study areas of application ranging from radiation trauma and trauma-induced shock, to bone marrow transplant therapy, to the genetic analysis of the immune system. One group is studying how DNA repairs itself following trauma such as radiation exposure. By understanding genes that control the numbers of specialized cells in bone marrow, our scientists believe that they can improve the methods of today's bone marrow transplant therapy. Another group studies details of the immune system in order to prevent transplantation rejection. We are also collaborating with scientists from other institutions in the study to determine the genes in antibodies. Our research is supported by the National Institutes Health and Diabetes National Research Group.

*Program Expense: Transplantation, Shock & Genetics:*

**\$ 236,174**

g. **HEART DISEASE:** Our research on treatments for heart disease includes detailed studies of compounds called enzymes and free-fatty acids. The administration of one of these enzymes (t-PA) is currently the standard treatment of acute myocardial infarction, a major killer of both American men and women. We are looking for new compounds which affect these enzymes, with the hope of eventually discovering new therapeutic treatments for heart disease. We are also studying these enzymes as a therapeutic tool for the prevention of restenosis (the renarrowing of a previously treated artery), a condition that occurs after a vascular procedure such as angioplasty. We are involved in the study of "complement proteins", which defend the body against infection. The goal of our research is to obtain molecular pictures of the series of interactions that occur among compliment proteins during recognition and killing of foreign cells. Uncontrolled compliment activation contributes to many chronic inflammatory conditions, such as heart attack, heart disease and rejection of non-human transplanted tissue. We are working on a diagnostic procedure for use in emergency rooms, for the immediate determination of stroke vs. myocardial infarction. We also are working on studies of plasminogen activators, and how they affect clotting, which can lead to blot clots. The studies were funded by grants from the National Institutes of Health and from Alzheimer's and Aging Research Center.

*Program Expense: Heart Disease*

*\$838,457*

h. **CHRONIC PAIN:** The goals of this research are to better understand the causes of chronic pain, especially as it relates to the conditions of arthritis and of cancer, as well as to find alternatives to current medications used for the management of pain, such as morphine. A common treatment in the use of pain, morphine has many deleterious side effects associated with its use. We have found several compounds that are being investigated by a pharmaceutical partner, with the hope of making chemical compounds into drugs that are effective pain relievers. Our research is supported by the National Institutes on Drug Abuse, Arthritis and Cancer Pain Research Institute, Alzheimer's and Aging Research Center, corporate contracts, and donations.

*Program Expense: Chronic Pain*

*\$ 7,222*

i. **WOMEN'S HEALTH: OSTEOPOROSIS, BREAST CANCER, LUPUS:** A study that is currently being done at our Institute will determine if breast cancer, by altering normal levels of free fatty acids (FFA), prevents the body's immune system from destroying the tumor. If our hypothesis is supported by the results of this study, a new approach to treating breast cancer would be available. By testing the levels of FFA needed to block the body's immune system and measuring FFA levels from human breast cancer tissue, we will determine if this fluid is actually preventing the body of killing cancer cells. In other studies, we are combining the technologies of T-cell immunobiology and synthetic peptide chemistry to identify antigens that can be used for therapeutic vaccines for metastatic breast and ovarian cancers. This research is funded by grants from the Department of Defense, National Cancer Institute, Osteoporosis and Breast Cancer Research Center, and donations from individuals.

*Program Expense: Osteoporosis & Breast Cancer*

*\$ 847*

j. **OTHER PROGRAM ACTIVITIES:** The mission at "TPIMS" is not only to conduct scientific research, but also to ensure that our research discoveries make a difference to humans. We accomplish this by supporting our scientists in their endeavors to publish, to travel worldwide in order to give lectures and other presentations, to establish and maintain collaborations with other scientists, and to act as mentors to students and young scientists just beginning in their careers. Over the past year, TPIMS scientists traveled throughout the United States and worldwide to share research results, to learn of others' research, and maintain important collaborative efforts. Countries benefiting included Argentina, Canada, China, England, France, Germany, Hungary, Israel, Italy, Japan, Spain, Sweden, Switzerland, The Netherlands, and Tunisia. Within the United States, the various states included Alabama, Arizona, California, Connecticut, Delaware, Florida, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Virginia, Washington, Washington D.C., and Wisconsin.

TPIMS continued to work on its newly-designed website containing information of interest not only to researchers and medical professionals, but also to individuals interesting in learning about the variety of disease areas being studied at TPIMS. We purchased shared laboratory equipment, repaired and maintained older shared equipment, and made renovations in laboratories when needed. At TPIMS, we strive to provide a collegial and supportive environment for our scientists. We recognize the necessity of maintaining facilities with well-functioning equipment, and, when possible, state-of-the-art new equipment. This type of environment allows the research investigators to apply their time and creative energy on asking new questions, testing ideas, and ultimately, on improving the lives of humans throughout the world.

*Program Expense: Other*

*\$ (142,577)*

**TOTAL TO FORM 990, PART III**

**\$7,283,756**

**STATEMENT 8**

Part IV, Line 50, Column (B)

Receivables from officers, directors, trustees, and key employees

BORROWER'S NAME

Mary E. Totzke

TERMS OF REPAYMENT

Annual payments of accrued interest

Payment of original loan amount due at maturity date

DATE OF NOTE

7/7/2004

MATURITY DATE

7/7/2014

ORIGINAL LOAN AMOUNT

\$ 150,000

INTEREST RATE

5.34%

SECURITY PROVIDED BY BORROWER

2nd deed of trust

PURPOSE OF LOAN

For purchase of primary residence

RELATIONSHIP TO LENDER

Borrower is COO/CFO of organization

BALANCE DUE

\$ 135,000

**Loan to Officer**

On July 7, 2004, the Institute entered into a secured promissory note ("note") for \$150,000 with an officer of the Institute. The note bears interest at 5.34 percent and is secured by a second priority deed of trust. Interest payments are due annually, beginning July 2005, with the principal due in July 2014 or six months after termination of employment, whichever is earlier.

Total

\$ 135,000

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 9**

Part IV, Line 64b, Column (B)

Mortgages and other notes payable

LENDER'S NAME

First Republic Bank

TERMS OF REPAYMENT

\$33,194.44/month plus interest

DATE OF NOTE

8/15/2003

MATURITY DATE

8/20/2006

ORIGINAL LOAN AMOUNT

\$ 1,195,000

INTEREST RATE

8.50%

SECURITY PROVIDED BY BORROWER

Equipment

PURPOSE OF LOAN

Equipment purchase

RELATIONSHIP TO LENDER

None

BALANCE DUE

\$ 66,389

LENDER'S NAME

First Republic Bank

TERMS OF REPAYMENT

Interest only-Payable monthly

DATE OF NOTE

8/15/2003

MATURITY DATE

3/31/2007

ORIGINAL LOAN AMOUNT

\$ 150,000

INTEREST RATE

8.50%

SECURITY PROVIDED BY BORROWER

Equipment

PURPOSE OF LOAN

Line of Credit

RELATIONSHIP TO LENDER

None

BALANCE DUE

\$ 150,000

Total

\$ 216,389

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 10**

Part IV-A, Line b(4)

Other revenue not included on Form 990

DESCRIPTION

AMOUNT

Revenue from tax-exempt subsidiaries included in audited financial statements

\$ 1,301,033

Total

\$ 1,301,033

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 11**

Part IV-A, Line d(2)

Other revenue included on Form 990

DESCRIPTION

AMOUNT

Eliminating entry included in audited financial statements  
Rounding

\$ 789,315  
(2)

Total

\$ 789,313

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 12**

Part IV-B, Line b(4)

Other expenses not included on Form 990

DESCRIPTION

AMOUNT

Expenses from for-profit subsidiary included in audited financial statements  
Expenses from tax-exempt subsidiaries included in audited financial statements

\$ 825  
1,432,328

Total

\$ 1,433,153

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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**STATEMENT 13**

Part IV-B, Line d(2)

Other expenses included on Form 990

DESCRIPTION

AMOUNT

Eliminating entry included in audited financial statements

\$ 1,217,000

Total

\$ 1,217,000

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2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 14

Part V-A, Line 75c

List of Officers, Directors, Trustees, and Key Employees -- Aggregate Compensation

| Name and Related Organization   | Compensation | Contribution to EBP & DC | Expense Account/ Other |
|---|--------------|--------------------------|------------------------|
| Richard Houghten, Mixture Sciences, Inc.<br>EIN: 33-0745851                       | \$ 155,625   | \$ -                     | \$ -                   |
| Richard Houghten, Torrey Pines Institute for Molecular Studies<br>EIN: 33-0319501 | \$ 233,250   | \$ 53,831                | \$ -                   |

Explanation of relationship:

In 1999, Torrey Pines Institute for Molecular Studies ("TPIMS") entered into a research and option agreement with Mixture Sciences, Inc. The President of TPIMS owns approximately 72 percent of Mixture Sciences, Inc. Mixture Sciences, Inc. also subleases space from TPIMS under a month-to-month lease under which rent and a service charge are paid to TPIMS.

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

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STATEMENT 15

Part VI, Line 80b

Related organizations

| NAME OF ORGANIZATION                           | EXEMPT | NONEXEMPT |
|--|--------|-----------|
| Alzheimer's and Aging Research Center          | X      |           |
| Arthritis and Chronic Pain Research Institute  | X      |           |
| Diabetes National Research Group               | X      |           |
| AIDS & Infectious Disease Science Center       | X      |           |
| Osteoporosis and Breast Cancer Research Center | X      |           |
| Torrey Pines Synthetic Services, Inc.          |        | X         |
| Mixture Sciences, Inc.                         | X      |           |
| FFA Sciences, LLC                              | X      |           |

2005 FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 16

Form 990, Part VI, Line 90a

List of states with which a copy of this return is filed

|               |                |            |
|---------------|----------------|------------|
| California    | Maryland       | Utah       |
| Connecticut   | New Jersey     | Virginia   |
| Florida       | North Carolina | Washington |
| Illinois      | Ohio           | Wisconsin  |
| Massachusetts | Pennsylvania   |            |

**STATEMENT 17****Part VIII****Relationship of activities to the accomplishment of exempt purposes**EXPLANATION OF RELATIONSHIP OF ACTIVITIES

- LINE 93a      Our exempt purpose is to conduct biomedical research directed towards the improvement of human health, and to make the results available to other scientists and the general public. During the past year, scientists at Torrey Pines Institute for Molecular Studies authored over fifty (50) publications which appeared in scientific journals distributed worldwide, made over thirty (30) oral presentations of their research results at scientific meetings all over the world, and delivered over twenty (20) poster presentations at these same meetings. The scientific conferences at which we present our research results typically attract anywhere from hundreds to thousands of scientists, medical professionals, medical students, postdoctoral research fellows in training, graduate and undergraduate science students. Still thousands more have access to the publications which originate from our institute, and thousands more access our websites for information relating to the various diseases we study. We also have hundreds of ongoing collaboration with scientists throughout the world.
- LINE 93b      Research carried on under a contract with National Institute of Allergy and Infectious Diseases ("NIAID") allowed TPIMS scientists to research new methods for making vaccines for a variety of infectious diseases. Students and postdoctoral research fellows also had the opportunity for training and learning about infectious diseases and vaccination, and publications resulted from the work. Thousands of scientists, postdoctoral research fellows and students have access to the publications originating from our institute, and thousands more access our websites for information relating to our own research as well as general information relating to the various diseases we study. Our scientists also have hundreds of research collaborations throughout the world.

**STATEMENT 18****Form 990, Schedule A, Part III, Line 2****Activities with directors, trustees, principal officers, or creators**

The following transactions were with an organization in which an officer of Torrey Pines Institute for Molecular Studies was also an owner of Mixture Sciences, Inc. and FFA Sciences, LLC.

Torrey Pines Institute was reimbursed for other miscellaneous items purchased at fair market value for Mixture Sciences, Inc. The total amount of reimbursements received was \$165,358, which includes the following: \$114,851 for rent, \$23,154 for research contract expenses, and \$27,353 for other services and miscellaneous reimbursements.

Torrey Pines Institute was reimbursed for other miscellaneous items purchased at fair market value for FFA Sciences, LLC. The total amount of reimbursements received was \$394,969, which includes the following: \$226,814 for rent, \$154,707 for research contract expenses, and \$13,448 for other services and miscellaneous reimbursements.

Torrey Pines Institute was reimbursed for other miscellaneous items purchased at fair market value from American Peptide Society and Symposium. The total amount of reimbursement received was \$4,237. There are overlapping directors.

**STATEMENT 19**  
**Part II, Line 25**  
**Compensation of officers, directors, etc.**

|   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u>      |
|---|-----------------------------|-----------------------------------|--------------------|-------------------|
| Richard Houghten                          |                             |                                   |                    |                   |
| Compensation                              | \$ 233,250                  | \$ -                              | \$ -               | \$ 233,250        |
| Contribution to Employee<br>Benefit Plans | 53,831                      | -                                 | -                  | 53,831            |
| Other Allowances                          | -                           | -                                 | -                  | -                 |
| Peggy Totzke                              |                             |                                   |                    |                   |
| Compensation                              | 148,397                     | 73,632                            | 481                | 222,510           |
| Contribution to Employee<br>Benefit Plans | 26,509                      | 13,175                            | 124                | 39,808            |
| Other Allowances                          | -                           | -                                 | -                  | -                 |
| Karen Garitta                             |                             |                                   |                    |                   |
| Compensation                              | 103,749                     | 13,625                            | -                  | 117,374           |
| Contribution to Employee<br>Benefit Plans | 32,592                      | 10,864                            | -                  | 43,456            |
| Other Allowances                          | -                           | -                                 | -                  | -                 |
| Total                                     | <u>\$ 598,328</u>           | <u>\$ 111,296</u>                 | <u>\$ 605</u>      | <u>\$ 710,229</u> |