Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2006

For calendar year 2006, or tax year beginning , 2006, and ending ,

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
THE PAUL KOWAL CHARITABLE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) Room/suite
2005 DUFOUR AVENUE #B

City or town State ZIP code
REDONDO BEACH CA 90278-1309

A Employer identification number
95-4773848

B Telephone number (see instructions)
(310) 406-0955

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ► ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► ☐

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 70,779.

J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis.)

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► ☒ if the foundn is **not** req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	1,131.	1,131.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	3,606.			
	b Gross sales price for all assets on line 6a 134,744.				
	7 Capital gain net income (from Part IV, line 2)		3,606.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) ORDINARY LOSS-FROM LTD PARTNERSHIP	-252.	-252.		
	12 **Total.** Add lines 1 through 11	4,485.	4,485.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) L-16a Stmt	56.	56.		56.
	b Accounting fees (attach sch) L-16b Stmt	1,500.	1,500.		1,500.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule) See Line 18 Stmt	61.	61.		61.
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) FEES TO BROKERAGE HOUSE	890.	890.		890.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	2,507.	2,507.		2,507.
	25 Contributions, gifts, grants paid	4,975.			4,975.
	26 **Total expenses and disbursements.** Add lines 24 and 25	7,482.	2,507.		7,482.
	27 Subtract line 26 from line12:				
	a **Excess of revenue over expenses and disbursements**	-2,997.			
	b **Net investment income** (if negative, enter -0-)		1,978.		
	C **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	2,978.	1,860.	1,860.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) L-13 Stmt	54,012.	57,882.	68,919.
	14 Land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers – see instructions. Also, see page 1, item I)	56,990.	59,742.	70,779.
LIABILITIES	17 Accounts payable and accrued expenses		4,975.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)		4,975.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	56,990.	54,767.	
	30 **Total net assets or fund balances** (see instructions)	56,990.	54,767.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	56,990.	59,742.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	56,990.
2	Enter amount from Part I, line 27a	2	-2,997.
3	Other increases not included in line 2 (itemize) ► See Other Increases Stmt	3	774.
4	Add lines 1, 2, and 3	4	54,767.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	54,767.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	MERRILL LYNCH - SEE ATTACHED STATEMENT	P	Various	Various
b	MERRILL LYNCH - SEE ATTACHED STATEMENT	P	Various	Various
c	MERRILL LYNCH - SEE ATTACHED STATEMENT	P	Various	Various
d	BUCKEYE PARTNERS, L.P.	P	Various	Various
e	MERRILL LYNCH - CAPITAL GAIN DISTRIBUTIONS	P	Various	Various

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	47,556.		43,663.	3,893.
b	69,208.		74,670.	-5,462.
c	17,979.		12,850.	5,129.
d	1.		0.	1.
e	45.		0.	45.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a	0.	0.	0.	3,893.
b				-5,462.
c	0.	0.	0.	5,129.
d	0.	0.	0.	1.
e	0.	0.	0.	45.

2	Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	3,606.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2005	11,459.	65,238.	0.175649
2004	9,238.	62,697.	0.147344
2003	7,094.	58,114.	0.122070
2002	9,246.	63,018.	0.146720
2001	5,204.	64,974.	0.080094

2	**Total** of line 1, column (d)	2	0.671877
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.134375
4	Enter the net value of noncharitable-use assets for 2006 from Part X, line 5	4	63,139.
5	Multiply line 4 by line 3	5	8,484.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	20.
7	Add lines 5 and 6	7	8,504.
8	Enter qualifying distributions from Part XII, line 4	8	7,482.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b	1	40.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	40.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	40.
6	Credits/Payments:		
a	2006 estimated tax pmts and 2005 overpayment credited to 2006 — 6a: 1.		
b	Exempt foreign organizations – tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 75.		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	76.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the amount **overpaid** ►	10	36.
11	Enter the amount of line 10 to be: **Credited to 2007 estimated tax** ► 36. **Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*		
c	Did the foundation file **Form 1120-POL** for this year?		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation ► $ _____ (2) On foundation managers ► $ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► CALIFORNIA		
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2006 or the taxable year beginning in 2006 (see instructions for Part XIV) *If 'Yes,' complete Part XIV*		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*		X

Part VII-A Statements Regarding Activities *Continued*

			Yes	No
11a	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule. (see instructions)	11a		X
b	If 'Yes', did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, an annuities described in the attachment for line 11a?	11b		
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► http://fndcenter.org

14 The books are in care of ► PAUL KOWAL Telephone no. ► (310) 406-0955

Located at ► 2005 DUFOUR AVE., #B, REDONDO BEACH, CA ZIP + 4 ► 90278-1309

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2006?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006? ☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement– see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__ .			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2006 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2006).*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2006?	4b		X

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

5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☐ No		
	If 'Yes,' attach the statement required by Regulations section 53 4945-5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
	If you answered 'Yes' to 6b, also file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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	(e) Expense account, other allowances
PAUL KOWAL, 2005 DUFOUR AVE., #B REDONDO BEACH, CA 90278-1309	PRESIDENT 3	0.	0.	0.
TONI CONNOLLY, 1754 FIRST ST., #J SIMI VALLEY, CA 93065-3371	FINANCIAL OFFICER 1	0.	0.	0.
THOMAS KAWABE, 2005 DUFOUR AVE., #B REDONDO BEACH, CA 90278-1309	SECRETARY 1	0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE NONE	NONE NONE	0.	0.	0.

Total number of other employees paid over $50,000 ▶ None

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

3 **Five highest-paid independent contractors for professional services– (see instructions). If none, enter 'NONE.'**

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

Total number of others receiving over $50,000 for professional services . . . . ► None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	60,778.
b	Average of monthly cash balances	1b	3,323.
c	Fair market value of all other assets (see instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	64,101.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	64,101.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	962.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	63,139.
6	**Minimum investment return.** Enter 5% of line 5	6	3,157.

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

1	Minimum investment return from Part X, line 6			1	3,157.
2a	Tax on investment income for 2006 from Part VI, line 5	2a	40.		
b	Income tax for 2006. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	40.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	3,117.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	3,117.
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	3,117.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a	Expenses, contributions, gifts, etc– total from Part I, column (d), line 26	1a	7,482.
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,482.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	7,482.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7				3,117.
2 Undistributed income, if any, as of the end of 2005:				
a Enter amount for 2005 only			3,183.	
b Total for prior years: 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2006:				
a From 2001 2,091.				
b From 2002 6,095.				
c From 2003 4,386.				
d From 2004 9,259.				
e From 2005 11,538.				
f **Total** of lines 3a through e	33,369.			
4 Qualifying distributions for 2006 from Part XII, line 4: ► $ 7,482.				
a Applied to 2005, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2006 distributable amount	7,482.			
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2006 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	40,851.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2005. Subtract line 4a from line 2a. Taxable amount – see instructions			3,183.	
f Undistributed income for 2006. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2007				3,117.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2001 not applied on line 5 or line 7 (see instructions)	2,091.			
9 **Excess distributions carryover to 2007.** Subtract lines 7 and 8 from line 6a	38,760.			
10 Analysis of line 9:				
a Excess from 2002 6,095.				
b Excess from 2003 4,386.				
c Excess from 2004 9,259.				
d Excess from 2005 11,538.				
e Excess from 2006 7,482.				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2006, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test – enter.					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
CENTER THEATRE GROUP LOS ANGELES, CALIFORNIA	NONE	PUBLIC	SUPPORT THEATER	3,000.
CONCERN FOUNDATION BEVERLY HILLS, CALIFORNIA	NONE	PUBLIC	SUPPORT THEATER	550.
H MANCINI INSTITUTE LOS ANGELES, CALIFORNIA	NONE	PUBLIC	SUPPORT THEATER	1,000.
SALON AT THE TAPER LOS ANGELES, CALIFORNIA	NONE	PUBLIC	SUPPORT THEATER	425.
Total ► **3a**				4,975.
b *Approved for future payment*				
Total ► **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (see instructions)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	1,131.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	3,606.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				4,737.	
13 **Total.** Add line 12, columns (b), (d), and (e)				13	4,737.

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

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

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

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1)	Cash	1a (1)		X
(2)	Other assets	1a (2)		X
b	Other transactions		
(1)	Sales of assets to a noncharitable exempt organization	1b (1)		X
(2)	Purchases of assets from a noncharitable exempt organization	1b (2)		X
(3)	Rental of facilities, equipment, or other assets	1b (3)		X
(4)	Reimbursement arrangements	1b (4)		X
(5)	Loans or loan guarantees	1b (5)		X
(6)	Performance of services or membership or fundraising solicitations	1b (6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

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

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

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompany
complete Declaration of preparer (other than taxpayer or fiduciary) is based on all informat

SIGN HERE

Signature of officer or trustee

Paid Preparer's Use Only

Preparer's signature ▶

Firm's name (or yours if self-employed), address, and ZIP code ▶ J.M. LEIBOWITZ & ASSOCIATES
3255 Wilshire Blvd. , Suite
Los Angeles

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PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
AGNICO EAGLE MINES LTD	6.0000	06/21/06	08/31/06			221.48	177.29	44.19
	6.0000	06/21/06	09/13/06			195.09	177.30	17.79
	8.0000	06/21/06	09/21/06			238.48	236.40	2.08
ANNALY MTG MGMT INC	80.0000	04/06/06	06/01/06			1,030.36	940.00	90.36
AMERICAN COML LINES INC	6.0000	06/01/06	06/02/06			340.78	335.81	4.97
	7.0000	06/01/06	10/25/06			484.18	391.79	92.39
COPA HOLDINGS S A CL A	9.0000	07/11/06	10/25/06			331.54	212.46	119.08
DESARROLLADORA HOMEX ADR	57.0000	01/20/06	06/01/06			1,966.43	1,881.00	85.43
GENWORTH FINL INC COM	35.0000	03/02/06	06/01/06			1,172.82	1,146.25	26.57
	32.0000	03/02/06	12/06/06			1,054.61	1,048.01	6.60
LEVEL 3 CMNCATNS DEL	82.0000	06/20/06	08/31/06			364.06	337.02	27.04
	64.0000	06/20/06	09/21/06			329.58	263.04	66.54

PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LAS VEGAS SANDS CORP	69.0000	03/13/06	06/01/06			4,871.25	3,467.25	1,404.00
	9.0000	03/13/06	08/04/06			560.93	452.24	108.69
	4.0000	03/13/06	10/17/06			304.23	201.00	103.23
MAGELLAN MIDSTREAM HLDGS	47.0000	06/01/06	11/10/06			1,047.27	1,019.90	27.37
NXSTAGE MED INC	18.0000	06/20/06	08/17/06			166.31	165.78	.53
PLATINUM UNDRWRITRS HLDG	100.0000	09/22/05	03/23/06			2,948.90	2,799.99	148.91
	200.0000	09/22/05	03/24/06			5,875.81	5,600.01	275.80
REPUBLIC AIRWAYS HLDGS	19.0000	06/01/06	08/17/06			310.58	288.89	21.69
RAM HOLDINGS LTD	53.0000	06/15/06	11/28/06			733.01	690.05	42.96
	30.0000	06/15/06	12/04/06			397.15	390.60	6.55
	31.0000	06/15/06	12/04/06			405.44	403.63	1.81
SPANSION INC COM CL A	200.0000	12/16/05	03/22/06			2,883.91	2,400.00	483.91
SKYWEST INC COM	62.0000	06/01/06	11/28/06			1,556.64	1,466.91	89.73
TAM S A SPON ADR	10.0000	06/01/06	08/17/06			305.34	233.89	71.45
U S AWYS GROUP INC	6.0000	06/01/06	09/21/06			275.39	274.80	.59
	13.0000	06/01/06	10/25/06			629.83	595.41	34.42
URS CORP NEW COM	100.0000	12/06/05	03/22/06			4,155.87	4,155.00	.87
	100.0000	12/06/05	03/24/06			4,189.87	4,155.00	34.87
BOARDWALK PIPELINE PTNRS	5.0000	06/01/06	08/14/06			134.85	116.25	18.60
	5.0000	06/01/06	08/14/06			134.87	116.24	18.63
ZYMOGENETICS INC	8.0000	06/01/06	09/06/06			149.33	136.94	12.39

PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired / Cover of Short	Date Liquidated / Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
XL CAPITAL LTD CL A	100.0000	12/06/05	03/02/06			6,798.79	6,500.00	298.79
	14.0000	06/01/06	11/28/06			991.23	887.33	103.90
			Subtotal			**47,556.21**	**43,663.48**	**3,892.73**
SHORT TERM CAPITAL LOSSES								
ALPHA NATURAL RESOURCES	13.0000	06/01/06	06/20/06			240.10	282.45	(42.35)
	58.0000	06/01/06	06/28/06			1,070.26	1,260.21	(189.95)
ADAMS RESPIRATORY	5.0000	06/01/06	08/14/06			219.41	229.90	(10.49)
	23.0000	06/01/06	10/02/06			809.57	1,057.54	(247.97)
CHIPOTLE MEXICAN GRILL	8.0000	06/01/06	08/31/06			396.72	473.84	(77.12)
	8.0000	06/01/06	10/05/06			392.41	473.84	(81.43)
DESARROLLADORA HOMEX ADR	10.0000	01/20/06	06/20/06			269.79	330.00	(60.21)
	33.0000	01/20/06	06/28/06			960.60	1,089.00	(128.40)
GFI GROUP INC	4.0000	06/02/06	08/14/06			183.67	223.64	(39.97)
	3.0000	06/02/06	08/14/06			137.03	167.73	(30.70)
	5.0000	06/02/06	08/30/06			231.55	279.56	(48.01)
	7.0000	06/02/06	08/31/06			322.17	391.39	(69.22)
	10.0000	06/02/06	09/06/06			465.68	559.14	(93.46)
GENWORTH FINL INC COM	12.0000	03/02/06	11/28/06			392.98	392.99	(.01)
	21.0000	03/02/06	12/04/06			685.63	687.75	(2.12)
GOL LINHAS AERS I SP ADR	7.0000	06/01/06	08/14/06			219.96	224.21	(4.25)
	19.0000	06/01/06	10/25/06			598.91	608.57	(9.66)
GOODMAN GLOBAL INC	20.0000	06/01/06	06/19/06			294.01	336.00	(41.99)
	15.0000	06/01/06	06/19/06			220.79	251.99	(31.20)
	30.0000	06/01/06	06/20/06			431.17	504.01	(72.84)

PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
HOSPITALITY PPTYS TRUST	300.0000	03/22/06	06/01/06			12,752.60	13,425.00	(672.40)
HALLIBURTON COMPANY	7.0000	06/01/06	08/14/06			232.74	260.78	(28.04)
	17.0000	06/01/06	09/06/06			545.51	633.34	(87.83)
LEVEL 3 CMNCATNS DEL	66.0000	06/20/06	08/04/06			240.23	271.25	(31.02)
LAZARD LTD CL A	4.0000	06/01/06	06/19/06			147.79	163.04	(15.25)
	3.0000	06/01/06	06/19/06			111.14	122.28	(11.14)
	6.0000	06/01/06	09/06/06			227.39	244.56	(17.17)
NASDAQ STOCK MARKET INC	21.0000	06/01/06	06/19/06			542.29	627.86	(85.57)
NAVTEQ CORP	9.0000	06/01/06	07/27/06			248.48	373.13	(124.65)
	18.0000	06/01/06	08/01/06			498.09	746.29	(248.20)
NEXTEST SYSTEMS CORP	24.0000	06/01/06	07/20/06			315.56	419.75	(104.19)
	65.0000	06/01/06	07/21/06			781.92	1,136.85	(354.93)
NXSTAGE MED INC	81.0000	06/20/06	08/08/06			602.62	746.01	(143.39)
	33.0000	06/20/06	10/25/06			256.55	303.93	(47.38)
	32.0000	06/20/06	10/25/06			248.04	294.72	(46.68)
NYSE GROUP INC	50.0000	05/04/06	06/01/06			3,060.40	3,075.00	(14.60)
PATNI COMPUTER SYS ADR	300.0000	12/07/05	04/06/06			6,059.81	6,102.00	(42.19)
REALTY INCM CRP MD PV$1.	400.0000	03/24/06	06/01/06			8,845.96	9,756.00	(910.04)
RBC BEARINGS INC	25.0000	06/01/06	06/02/06			623.49	625.00	(1.51)
	3.0000	06/01/06	06/19/06			62.42	75.00	(12.58)
	15.0000	06/01/06	09/21/06			370.48	375.00	(4.52)
SENIOR HSG PPTYS TRSBI	250.0000	12/02/05	01/19/06			4,377.36	4,725.00	(347.64)
	250.0000	12/02/05	03/02/06			4,519.86	4,725.00	(205.14)

PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SEASPAN CORP	12.0000	06/01/06	08/04/06			250.06	250.58	(.52)
SPANSION INC COM CL A	31.0000	06/01/06	08/04/06			417.24	548.39	(131.15)
	18.0000	06/01/06	08/30/06			317.61	318.42	(.81)
	19.0000	06/01/06	10/25/06			287.54	336.10	(48.56)
	43.0000	06/01/06	10/27/06			599.31	760.68	(161.37)
THERAVANCE INC	100.0000	02/01/06	03/24/06			2,782.91	2,850.00	(67.09)
	14.0000	06/01/06	06/19/06			314.57	336.14	(21.57)
	13.0000	06/01/06	06/19/06			293.30	312.13	(18.83)
U S AWYS GROUP INC	4.0000	06/01/06	08/14/06			155.79	183.20	(27.41)
	4.0000	06/01/06	08/14/06			155.91	183.19	(27.28)
BUCKEYE PARTNERS L P	165.0000	03/01/06	06/01/06			7,239.97	7,296.30	(56.33)
ZYMOGENETICS INC	10.0000	06/01/06	09/21/06			167.99	171.17	(3.18)
	55.0000	06/01/06	10/02/06			906.64	941.47	(34.83)
XL CAPITAL LTD CL A	8.0000	06/01/06	08/04/06			497.13	507.03	(9.90)
WEIGHT WATCHERS INTL NEW	15.0000	06/01/06	06/28/06			609.19	625.35	(16.16)
			Subtotal			**69,208.30**	**74,670.70**	**(5,462.40)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(1,569.67)**
LONG TERM CAPITAL GAINS								
GENWORTH FINL INC COM	200.0000	05/24/04	06/01/06			6,701.78	3,900.00	2,801.78
URS CORP NEW COM	100.0000	01/19/05	03/02/06			4,364.86	2,900.00	1,464.86
	50.0000	01/19/05	03/22/06			2,077.93	1,450.00	627.93

PAUL KOWAL

2006 ANNUAL STATEMENT SUMMARY

2006 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired / Cover of Short	Date Liquidated / Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
KINDER MORGAN ENERGY	100.0000	11/04/04	02/01/06			4,834.85	4,600.00	234.85
			Subtotal			**17,979.42**	**12,850.00**	**5,129.42**
NET LONG TERM CAPITAL GAIN (LOSS)								**5,129.42**
TOTAL CAPITAL GAINS AND LOSSES						**134,743.93**	**131,184.18**	**3,559.75**
TOTAL REPORTABLE GROSS PROCEEDS						**134,743.93**		
DIFFERENCE						**.00 ***		

Note: Capital gains and losses in this statement are not reported to the IRS.
* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	3,892.73	(5,462.40)	5,129.42	.00

Net
000 Cap Gain
0 00 *

3,892.73 +
5,462.40 -
5,129.42 +
001
3,559.75 *

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes: (see instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
DEPARTMENT OF JUSTICE	50.	50.		50.
FRANCHISE TAX	10.	10.		10.
FOREIGN TAXES	1.	1.		1.
Total	61.	61.		61.

Form 990-PF, Page 2, Part III, Line 3
Other Increases Stmt

ADJUSTMENT TO INVESTMENT COST	774.
Total	774.

Form 990-PF, Page 1, Part I, Line 16a
L-16a Stmt

Line 16a - Legal Fees: Name of Provider	Type of Service Provided	Amount Paid
CLARK & TREVITHICK	LEGAL SERVICES	56.
Total		56.

Form 990-PF, Page 1, Part I, Line 16b
L-16b Stmt

Line 16b - Accounting Fees: Name of Provider	Type of Service Provided	Amount Paid
J.M. LEIBOWITZ & ASSOC	ACCOUNTING SERVICES	1,500.
Total		1,500.

Form 990-PF, Page 2, Part II, Line 13
L-13 Stmt

Line 13 - Investments - Other:	End of Year Book Value	End of Year Fair Market Value
VARIOUS EQUITIES	57,882.	68,919.
Total	57,882.	68,919.

Supporting Statement of:

Form 990-PF, p1/Line 11(a)-1

Description	Amount
BUCKEYE PARTNERS, L.P.	-178.
ENBRIDGE ENERGY PARTNERS, L.P.	-52.
BOARDWALK PIPELINE PARTNERS, LP	-7.
UNIVERSAL COMPRESSION PARTNERS, L.P.	-6.
MAGELLAN MIDSTREAM HOLDINGS, L.P.	-9.
Total	-252.

Supporting Statement of:

Form 990-PF p12/Line 4 Column (d)

Description	Amount
MERRILL LYNCH	1,060.
BUCKEYE PARTNERS, LP	58.
LAZARD LTD	9.
BOARDWALK PIPELINE PARTNERS, LP	2.
ENBRIDGE ENERGY PARTNERS, L.P.	2.
Total	1,131.

Supporting Statement of:

Form 990-PF p12/Line 8 Column (d)

Description	Amount
MERRILL LYNCH - NET CAPITAL GAINS	3,560.
MERRILL LYNCH - CAPITAL GAIN DISTRIBUTIONS	45.
BUCKEYE PARTNERS, L.P.	1.
Total	3,606.

Form **8868**
(Rev December 2006)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No 1545-1709

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

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

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

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only . . . . ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing *(e-file)*. Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Type or print
File by the due date for filing your return See instructions.

Name of Exempt Organization	Employer identification number
THE PAUL KOWAL CHARITABLE FOUNDATION	95-4773848
Number, street, and room or suite number. If a P O box, see instructions	
2005 DUFOUR AVENUE, #B	
City, town or post office For a foreign address, see instructions	state ZIP code
REDONDO BEACH	CA 90278-1309

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

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (section 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ► PAUL KOWAL

Telephone No. ► (310) 406-0955 FAX No ►

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

1 I request an automatic 3-month (6 months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until Aug 15, 20 07, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

► [X] calendar year 20 06 or

► [ ] tax year beginning _____, 20 ___, and ending _____, 20 ___.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	**3a**	$ 76.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	**3b**	$ 1.
c Balance Due. Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	**3c**	$ 75.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

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

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

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

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization THE PAUL KOWAL CHARITABLE FOUNDATION	Employer identification number 95-4773848
	Number, street, and room or suite number If a P O box, see instructions 2005 DUFOUR AVENUE, #B	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions REDONDO BEACH CA 90278-1309	

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

[ ] Form 990	[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 6069
[ ] Form 990-BL	[ ] Form 990-T (section 401(a) or 408(a) trust)	[ ] Form 4720	[ ] Form 8870
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 5227	

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

- The books are in care of ► PAUL KOWAL
  Telephone No. ► (310) 406-0955 FAX No. ►
- If the organization does not have an office or place of business in the United States, check this box . . ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box ► [ ] If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until Nov 15 , 20 07.

5 For calendar year 2006 , or other tax year beginning , 20 , and ending , 20

6 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS REQUIRED TO COMPILE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	$ 26.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ 76.
c Balance Due. Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs	8c	$ 0.

Signature and Verification

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

Signature ► Title ► C.P.A. Date ► 7/11/07

Notice to Applicant. (To be Completed by the IRS)

[ ] We **have** approved this application Please attach this form to the organization's return.

[ ] We **have not** approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return Please attach this form to the organization's return

[ ] We **have not** approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

[ ] We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.

[ ] Other _____

Director By Date

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

Type or print

Name
J.M. LEIBOWITZ & ASSOCIATES, LLP

Number and street (include suite, room, or apartment number) or a P.O. box number
3255 WILSHIRE BLVD., SUITE 1034

City or town, province or state, and country (including postal or ZIP code)
LOS ANGELES CA 90010-1414