

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

2015

Department of the Treasury
Internal Revenue Service

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2015, or tax year beginning , 2015, and ending ,

Democracy Fund Inc
1200 17th St NW #300
Washington, DC 20036

A	Employer identification number 38-3926408
B	Telephone number (see instructions) 408-358-3316
C	If exemption application is pending, check here <input type="checkbox"/>
D	1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
E	If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
F	If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

G Check all that apply:

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input checked="" type="checkbox"/> Address change	<input type="checkbox"/> Name change

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)
▶ \$ 33,172,688.

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)
R E V E N U E	1 Contributions, gifts, grants, etc. received (attach schedule)	23,173,200.			
	2 Ck <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	3,440.	3,440.	3,440.	
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	-868,211.			
	b Gross sales price for all assets on line 6a	41,004,441.			
	7 Capital gain net income (from Part IV, line 2)		41,004,421.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	22,308,429.	41,007,861.	3,440.		
A D M I N I S T R A T I V E O P E R A T I N G A N D E X P E N S E S	13 Compensation of officers, directors, trustees, etc.	310,336.			310,336.
	14 Other employee salaries and wages	1,463,439.			1,463,439.
	15 Pension plans, employee benefits	185,799.			185,799.
	16 a Legal fees (attach schedule) See St. 1.	60,044.			60,044.
	b Accounting fees (attach sch) See St. 2.	31,000.			31,000.
	c Other prof. fees (attach sch) See St. 3.	1,009,926.			1,009,926.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 4.	569,739.			121,890.
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	127,357.			127,357.
	22 Printing and publications	4,873.			4,873.
	23 Other expenses (attach schedule) See Statement 5	486,704.			53,971.
	24 Total operating and administrative expenses. Add lines 13 through 23	4,249,217.			3,368,635.
	25 Contributions, gifts, grants paid Part XV	11,568,791.			8,888,250.
26 Total expenses and disbursements. Add lines 24 and 25	15,818,008.	0.	0.	12,256,885.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements.	6,490,421.				
b Net investment income (if negative, enter -0-)		41,007,861.			
c Adjusted net income (if negative, enter -0-)			3,440.		

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	6,365,996.	33,089,595.	33,089,595.
	2	Savings and temporary cash investments			
	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)	18,519,600.		
	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)				
14	Land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe ▶ See Statement 6)	17,954.	83,093.	83,093.	
16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	24,903,550.	33,172,688.	33,172,688.	
LIABILITIES	17	Accounts payable and accrued expenses	142,872.	640,745.	
	18	Grants payable	1,437,500.	2,680,645.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ See Statement 7)	480,910.	338,759.	
	23	Total liabilities (add lines 17 through 22)	2,061,282.	3,660,149.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	22,842,268.	29,512,539.	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see instructions)	22,842,268.	29,512,539.		
31	Total liabilities and net assets/fund balances (see instructions)	24,903,550.	33,172,688.		

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	22,842,268.
2	Enter amount from Part I, line 27a	2	6,490,421.
3	Other increases not included in line 2 (itemize) ▶ See Statement 8	3	179,850.
4	Add lines 1, 2, and 3	4	29,512,539.
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	29,512,539.

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 (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Statement 9				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss).....		[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2 41,004,421.
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 0.

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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	5,466,956.	6,418,681.	0.851726
2013			
2012			
2011			
2010			
2 Total of line 1, column (d).....			2 0.851726
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 0.425863
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5.....			4 20,579,635.
5 Multiply line 4 by line 3.....			5 8,764,105.
6 Enter 1% of net investment income (1% of Part I, line 27b).....			6 410,079.
7 Add lines 5 and 6.....			7 9,174,184.
8 Enter qualifying distributions from Part XII, line 4.....			8 12,256,885.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here. <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b.		1	410,079.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-).		2	0.
3 Add lines 1 and 2.		3	410,079.
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	410,079.
6 Credits/Payments:			
a 2015 estimated tax pmts and 2014 overpayment credited to 2015.		6 a	481,399.
b Exempt foreign organizations – tax withheld at source.		6 b	
c Tax paid with application for extension of time to file (Form 8868).		6 c	360,000.
d Backup withholding erroneously withheld.		6 d	
7 Total credits and payments. Add lines 6a through 6d.		7	841,399.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached.		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed.		9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	431,320.
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax. 431,320. Refunded.		11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 the definition)? <i>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.</i>		X
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 . . . ▶ \$ 0. (2) On foundation managers . . . ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. . . . ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes.</i>	X	
4 a 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?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		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? <i>If 'Yes,' complete Part II, col. (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions). DC DE		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation.</i>	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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV.</i>	X	
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

Part VII-A Statements Regarding Activities (continued)

11	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)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ <u>www.democracyfund.org</u>				
14	The books are in care of ▶ <u>Matthew Deakin</u> Telephone no. ▶ <u>408-358-3316</u>			
Located at ▶ <u>720 University Ave, Ste 200 Los Gatos CA</u> ZIP + 4 ▶ <u>95032</u>				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here.....	N/A	▶ <input type="checkbox"/> N/A	
and enter the amount of tax-exempt interest received or accrued during the year.....		15	N/A	
16	At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?.....	16	Yes	No
See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ▶				X

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
1 a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1 b	X
Organizations relying on a current notice regarding disaster assistance check here		▶ <input type="checkbox"/>	
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 2015?	1 c	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	2 b	N/A
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 __ .		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2015 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2015.</i>)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2015?	4 b	X

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

5 a 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 4945(d)(4)(A)? (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)? Yes No

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). *See statement*

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

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

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No N/A

5 b			X
6 b			X
7 b			

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
See Statement 10		281,809.	28,527.	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
Elizabeth Hawkings 1200 17th St. NW, Ste 300 Washington, DC 20036	Program Dir. 39	181,488.	14,782.	0.
Adam Ambrogi 1200 17th St. NW, Ste. 300 Washington, DC 20036	Program Dir. 40	180,737.	26,496.	0.
Thomas Glaisyer 1200 17th St. NW, Ste. 300 Washington, DC 20036	Program Dir. 39	167,562.	11,969.	0.
Margaret Yao 1200 17th St. NW, Ste. 300 Washington, DC 20036	Chief Pple Of 40	148,376.	17,866.	0.
Anthony Bowen 1200 17th St. NW, Ste. 300 Washington, DC 20036	Dir of Grants 38	110,442.	14,584.	0.
Total number of other employees paid over \$50,000				4

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
Williams Group 70 Ionia Avenue SW, Ste 200 Grand Rapids, MI 49503-5139	Branding & Comms.	184,101.
Community Building Institute 127 S. Highland Street Arlington, VA 22204	Consulting	127,800.
Karen Grattan 5423 Long Boat Court Fairfax, VA 22032	Consulting	85,125.
RK Evaluation & Strategies 3155 19th St. NW Washington, DC 20010	Evaluation	61,819.
TCC Group 31 West 27th Street, 4th Floor New York, NY 10001	Consulting	50,326.
Total number of others receiving over \$50,000 for professional services.		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 See Statement 11	927,507.
2 See Statement 12	892,491.
3 See Statement 13	647,437.
4 Other Program Services	53,477.

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 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3.	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1 a	2,712,500.
b	Average of monthly cash balances	1 b	18,097,437.
c	Fair market value of all other assets (see instructions)	1 c	83,093.
d	Total (add lines 1a, b, and c)	1 d	20,893,030.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	20,893,030.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	313,395.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	20,579,635.
6	Minimum investment return. Enter 5% of line 5	6	1,028,982.

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		N/A
2a	Tax on investment income for 2015 from Part VI, line 5	2 a	
b	Income tax for 2015. (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	

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	1 a	12,256,885.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	12,256,885.
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	410,079.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,846,806.

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)

N/A

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7.....				
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only.....				
b Total for prior years: 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2015:				
a From 2010.....				
b From 2011.....				
c From 2012.....				
d From 2013.....				
e From 2014.....				
f Total of lines 3a through e.....				
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ _____				
a Applied to 2014, 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 2015 distributable amount.....				
e Remaining amount distributed out of corpus..				
5 Excess distributions carryover applied to 2015..... (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.....				
b Prior years' undistributed income. Subtract line 4b from line 2b.....				
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.....				
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount – see instructions.....				
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016.....				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions).....				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)..				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a.....				
10 Analysis of line 9:				
a Excess from 2011....				
b Excess from 2012....				
c Excess from 2013....				
d Excess from 2014....				
e Excess from 2015....				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, 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				(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed: _____	3,440.	903.			4,343.
b 85% of line 2a: _____	2,924.	768.			3,692.
c Qualifying distributions from Part XII, line 4 for each year listed: _____	12,256,885.	5,466,956.			17,723,841.
d Amounts included in line 2c not used directly for active conduct of exempt activities: _____	8,888,250.	4,518,675.			13,406,925.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c: _____	3,368,635.	948,281.			4,316,916.
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: _____	685,988.	189,924.			875,912.
c 'Support' alternative test — enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties): _____					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii): _____					
(3) Largest amount of support from an exempt organization: _____					
(4) Gross investment income: _____					

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

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
 None

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient 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 <i>Paid during the year</i> See Statement 14				
Total ▶ 3 a				8,888,250.
b <i>Approved for future payment</i> See Statement 15				
Total ▶ 3 b				2,680,541.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization

Democracy Fund Inc

Employer identification number

38-3926408

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Form 990-PF

Section:

- 501(c)() (enter number) organization
 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
 527 political organization
 501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization

Employer identification number

Democracy Fund Inc

38-3926408

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Pierre M Omidyar Trust 720 University Avenue, Ste 200 Los Gatos, CA 95032	\$ 10,395,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
2	Pierre M Omidyar Trust 720 University Avenue, Ste 200 Los Gatos, CA 95032	\$ 12,778,200.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

Democracy Fund Inc

38-3926408

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	360,000 shares eBay Inc common stock	\$ 10,395,000.	11/25/15
2	360,000 shares Paypal common stock	\$ 12,778,200.	11/25/15
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization Democracy Fund Inc	Employer identification number 38-3926408
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) \$ _____ N/A
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	

Underpayment of Estimated Tax by Corporations

▶ Attach to the corporation's tax return.

2015

Department of the Treasury
Internal Revenue Service

▶ Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

Name Democracy Fund Inc	Employer identification number 38-3926408
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Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions).....		1	410,079.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1.....	2 a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method.....	2 b		
c Credit for federal tax paid on fuels (see instructions).....	2 c		
d Total. Add lines 2a through 2c.....		2 d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.....		3	410,079.
4 Enter the tax shown on the corporation's 2014 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5.		4	228,601.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3.....		5	228,601.

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

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

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.....	9	5/15/15	6/15/15	9/15/15	12/15/15
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.....	10	26,974.	0.	0.	0.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.....	11	371,399.			110,000.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column.....	12		344,425.	344,425.	344,425.
13 Add lines 11 and 12.....	13		344,425.	344,425.	454,425.
14 Add amounts on lines 16 and 17 of the preceding column.....	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-.....	15	371,399.	344,425.	344,425.	454,425.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....	17				
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....	18	344,425.	344,425.	344,425.	

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

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2015 and before 7/1/2015	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 3%	22			
23 Number of days on line 20 after 6/30/2015 and before 10/1/2015	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 3%	24			
25 Number of days on line 20 after 9/30/2015 and before 1/1/2016	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x 3%	26			
27 Number of days on line 20 after 12/31/2015 and before 4/1/2016	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{366}$ x 3%	28			
29 Number of days on line 20 after 3/31/2016 and before 7/1/2016	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{366}$ x *%	30			
31 Number of days on line 20 after 6/30/2016 and before 10/1/2016	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{366}$ x *%	32			
33 Number of days on line 20 after 9/30/2016 and before 1/1/2017	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{366}$ x *%	34			
35 Number of days on line 20 after 12/31/2016 and before 2/16/2017	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{365}$ x *%	36			
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37			
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns.	38			0.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Part II Annualized Income Installment Method

		(a)	(b)	(c)	(d)
		First 2 months	First 3 months	First 6 months	First 9 months
20 Annualization periods (see instructions).....	20				
21 Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items)....	21	1,798,281.	860.	1,720.	2,580.
22 Annualization amounts (see instructions).....	22	6	4	2	1.33333
23a Annualized taxable income. Multiply line 21 by line 22.....	23a	10,789,686.	3,440.	3,440.	3,440.
b Extraordinary items (see instructions).....	23b				
c Add lines 23a and 23b.....	23c	10,789,686.	3,440.	3,440.	3,440.
24 Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return).....	24	107,897.	34.	34.	34.
25 Enter any alternative minimum tax for each payment period (see instructions)....	25				
26 Enter any other taxes for each payment period (see instructions).....	26				
27 Total tax. Add lines 24 through 26.....	27	107,897.	34.	34.	34.
28 For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions).....	28				
29 Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-....	29	107,897.	34.	34.	34.
30 Applicable percentage.....	30	25%	50%	75%	100%
31 Multiply line 29 by line 30.....	31	26,974.	17.	26.	34.

Part III Required Installments

		1st installment	2nd installment	3rd installment	4th installment
Note: Complete lines 32 through 38 of one column before completing the next column.					
32 If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31.....	32	26,974.	17.	26.	34.
33 Add the amounts in all preceding columns of line 38 (see instructions).....	33		26,974.	26,974.	26,974.
34 Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-.....	34	26,974.	0.	0.	0.
35 Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: 'Large corporations,' see the instructions for line 10 for the amounts to enter.....	35	57,150.	147,889.	102,520.	102,520.
36 Subtract line 38 of the preceding column from line 37 of the preceding column.....	36		30,176.	178,065.	280,585.
37 Add lines 35 and 36.....	37	57,150.	178,065.	280,585.	383,105.
38 Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions)....	38	26,974.	0.	0.	0.

Democracy Fund Inc

38-3926408

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	\$ 60,044.			\$ 60,044.
Total	<u>\$ 60,044.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 60,044.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting fees	\$ 31,000.			\$ 31,000.
Total	<u>\$ 31,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 31,000.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Consultants	\$ 969,101.			\$ 969,101.
Contracted services	40,825.			40,825.
Total	<u>\$ 1,009,926.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 1,009,926.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Excise Tax Expense	\$ 447,849.			
Payroll Taxes	121,890.			\$ 121,890.
Total	<u>\$ 569,739.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 121,890.</u>

Democracy Fund Inc

38-3926408

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accrual to cash adjustment.....				\$ -432,733.
Conference sponsorships.....	\$ 153,100.			153,100.
Event location and support.....	37,212.			37,212.
Hosted events - Internal.....	35,103.			35,103.
Other Expenses.....	194,155.			194,155.
Software.....	33,434.			33,434.
Staff professional development.....	33,700.			33,700.
Total	<u>\$ 486,704.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 53,971.</u>

Statement 6
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
Prepaid expenses and other assets.....	\$ 83,093.	\$ 83,093.
Total	<u>\$ 83,093.</u>	<u>\$ 83,093.</u>

Statement 7
Form 990-PF, Part II, Line 22
Other Liabilities

Federal excise tax payable.....	\$ 338,759.
Total	<u>\$ 338,759.</u>

Statement 8
Form 990-PF, Part III, Line 3
Other Increases

Net Unrealized Gains or Losses on Investments.....	\$ 179,850.
Total	<u>\$ 179,850.</u>

Statement 9
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	66000 shares eBay common	Donated	5/20/1996	1/26/2015
2	66000 shares eBay common	Donated	5/20/1996	1/27/2015
3	66000 shares eBay common	Donated	5/20/1996	1/28/2015

Democracy Fund Inc

38-3926408

Statement 9 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
4	66000 shares eBay common	Donated	5/20/1996	1/29/2015
5	66000 shares eBay common	Donated	5/20/1996	1/30/2015
6	26000 shares eBay common	Donated	5/20/1996	11/25/2015
7	100986 shares eBay common	Donated	5/20/1996	11/27/2015
8	45190 shares PayPal Holdings common	Donated	5/20/1996	11/27/2015
9	77591 shares PayPal Holdings common	Donated	5/20/1996	11/30/2015
10	45190 shares PayPal Holdings common	Donated	5/20/1996	11/30/2015
11	116510 shares eBay common	Donated	5/20/1996	11/30/2015
12	192029 shares PayPal Holdings common	Donated	5/20/1996	12/01/2015
13	116504 shares eBay common	Donated	5/20/1996	12/02/2015

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	3697324.		1.	3697323.				\$ 3697323.
2	3628461.		1.	3628460.				3628460.
3	3584632.		1.	3584631.				3584631.
4	3541515.		1.	3541514.				3541514.
5	3527781.		1.	3527780.				3527780.
6	751,764.		1.	751,763.				751,763.
7	2923000.		2.	2922998.				2922998.
8	1588018.		1.	1588017.				1588017.
9	2714382.		2.	2714380.				2714380.
10	1580891.		1.	1580890.				1580890.
11	3412136.		2.	3412134.				3412134.
12	6654367.		4.	6654363.				6654363.
13	3400170.		2.	3400168.				3400168.
Total								\$41004421.

Statement 10
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Pierre Omidyar 720 University Ave, Ste 200 Los Gatos, CA 95032	Chairman 0.75	\$ 0.	\$ 0.	\$ 0.
Patricia Christen 720 University Ave, Ste 200 Los Gatos, CA 95032	Director 1.00	0.	0.	0.
Michael Mohr 720 University Ave, Ste 200 Los Gatos, CA 95032	Director 1.00	0.	0.	0.

Democracy Fund Inc

38-3926408

Statement 10 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
William Fitzpatrick 720 University Ave, Ste 200 Los Gatos, CA 95032	Secretary & Dir 1.00	\$ 0.	\$ 0.	\$ 0.
Joseph Goldman 1200 17th St NW, Ste 300 Washington, DC 20036	President & CEO 38.00	281,809.	28,527.	0.
Matthew Deakin 720 University Ave, Ste 200 Los Gatos, CA 95032	Treasurer 2.00	0.	0.	0.
Total		\$ 281,809.	\$ 28,527.	\$ 0.

Statement 11
Form 990-PF, Part IX-A, Line 1
Summary of Direct Charitable Activities

Direct Charitable Activities	Expenses
<p>Elections Program</p> <p>Through its Elections Program, the Democracy Fund works to ensure that our election and campaign finance systems provide the public with confidence that their voices can be heard and that they have the ability to hold their leaders to account for their actions. The Democracy Fund promotes common sense dialogue and searches for innovative solutions that improve our campaign finance and election administration systems. The Democracy Fund's aim is to understand and build consensus around those solutions that serve the needs of the American people.</p>	\$ 927,507.

Statement 12
Form 990-PF, Part IX-A, Line 2
Summary of Direct Charitable Activities

Direct Charitable Activities	Expenses
<p>Public Square Program</p> <p>Through its Public Square Program, the Democracy Fund supports platforms and practices that help people understand and engage in the democratic process. To create a more informed electorate, the Democracy Fund invests in innovations and institutions that rejuvenate local media and ensure that communities have access to diverse sources of information. We look for new ways to deepen the public's engagement in civic life and to expose them to different points of view. We support efforts to combat misinformation and develop new venues for reasoned debate and public deliberation.</p>	\$ 892,491.

Democracy Fund Inc

38-3926408

Statement 13
Form 990-PF, Part IX-A, Line 3
Summary of Direct Charitable Activities

Direct Charitable Activities	Expenses
Governance Program	\$ 647,437.
<p>Through its Governance Program, the Democracy Fund works to improve the ability of governing institutions in the United States to function in the face of increased hyper-partisanship. We support approaches that help equip our elected leaders to deliberate, negotiate, and act in service of the American people. Specifically, the Governance Program has sought to improve the ability of our legislative branch to solve problems by fostering better relationships among political leaders, encouraging greater civility, and building the capacity of our political system.</p>	

Statement 14
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
American Press Institute 4401 Wilson Blvd, Ste 900 Arlington VA 22203	N/A	PC	Program support for research and education activities related to fact checking in journalism	\$ 100,000.
Bipartisan Policy Center, Inc. 1225 Eye St NW Washington DC 20005	N/A	PC	Program support for the Democracy Program	1,100,000.
Center for Public Integrity 910 17th St NW, Ste 700 Washington DC 20006	N/A	PC	Program support for Consider the Source	350,000.
Ethics and Public Policy Center Inc 1730 M St NW Washington DC 20036	N/A	PC	Program support for the Faith Angle Forum	60,000.
Faith and Politics Institute 110 Maryland Ave NE, Ste 504 Washington DC 20002	N/A	PC	General support	250,000.
Free Press 1025 Connecticut Ave Washington DC 20036	N/A	PC	Program support for the News Voices: New Jersey Project	150,000.

Democracy Fund Inc

38-3926408

Statement 14 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Online News Association 1111 North Capitol St NE Washington DC 20002	N/A	PC	Program support for the Challenge Fund for Innovation in Journalism	\$ 100,000.
Rock the Vote 1001 Connecticut Ave NW, Ste 640 Washington DC 20036	N/A	PC	General support	75,000.
Rutgers, The State University 3 Rutgers Plaza New Brunswick NJ 08901	N/A	PC	Program support for the News Measures Project	100,000.
The Aspen Institute Inc One Dupont Circle NW Washington DC 20036	N/A	PC	Program support for Aspen Congressional Program	150,000.
The Campaign Finance Institute 1425 K St NW Washington DC 20005	N/A	PC	General support	100,000.
The Campaign Legal Center Inc 1411 K St NW, Ste 1400 Washington DC 20005	N/A	PC	Capacity support for strategic planning	100,000.
Voice of the People 1779 Massachusetts Ave NW Washington DC 20036	N/A	PC	Program support for the Citizen Cabinet Pilot Project	300,000.
Democracy Works Inc. 20 Jay St, Ste 824 Brooklyn NY 11201	N/A	PC	General support	250,000.
Fordham University 441 E Fordham Rd, Faber Hall 667 Bronx NY 10458	N/A	PC	Program support for Field Experiments on Money in Politics	200,000.
George Washington University 2115 G St NW Washington DC 20036	N/A	PC	Program support for The Monkey Cage	100,000.

Democracy Fund Inc

38-3926408

Statement 14 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Institute for Nonprofit News 17514 Ventura Blvd Encino CA 91316	N/A	PC	General support	\$ 280,000.
Issue One 11 Dupont Cir, Ste 350 Washington DC 20036	N/A	PC	Capacity building support for grant making program	21,250.
Massachusetts Institute of Technology 30 Wadsworth St Cambridge MA 02142	N/A	PC	Program support for Polling Place of the Future	100,000.
No Labels Foundation 1130 Connecticut Ave NW #325 Washington DC 20036	N/A	PC	Capacity support for professional development for senior management	25,000.
No Labels Foundation 1130 Connecticut Ave NW #325 Washington DC 20036	N/A	PC	General support	200,000.
Participatory Budgeting Project 33 Flatbush Ave Brooklyn NY 11217	N/A	PC	Program support to foster increased use of participatory budgeting in the United States	200,000.
The Pew Charitable Trusts 901 E St NW Washington DC 20004	N/A	PC	Program support for the Pew Election Initiatives	750,000.
Proteus Fund 15 Research Dr Amherst MA 01002	N/A	PC	Program support for the Collaborative Communications Initiative on Money in Politics	300,000.
The Aspen Institute Inc One Dupont Cir NW Washington DC 20036	N/A	PC	Program support for the Rodel Fellowship in Public Leadership	200,000.

Democracy Fund Inc

38-3926408

Statement 14 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Trustees of Columbia Univ in City of NY 729 Seventh Ave New York NY 10019	N/A	PC	Program support for Columbia Journalism Review's United States Project	\$ 200,000.
The University of Arizona Foundation 57 E Jackson St Tucson AZ 85701	N/A	PC	Program support for the National Institute for Civil Discourse	80,000.
AZ State U Fndtn for a New American Univ 300 E. University Drive Tempe AZ 85280	N/A	PC	Program support for research and public education on the Citizens' Initiative Review	50,000.
Center for Technology and Civic Life 1649 W Cortland Street Chicago IL 60622	N/A	PC	General support	200,000.
Civic Hall LLC 156 5th Avenue New York NY 10010	N/A	NC	Program support for nonpartisan research on how debates can increase engagement and become more responsive to voters' concerns	175,000.
Congressional Management Foundation 710 E Street, SE Washington DC 20003	N/A	PC	General support	200,000.
Democracy Works Inc 20 Jay St, Ste 824 Brooklyn NY 11201	N/A	PC	Program support for election administration website	100,000.
FairVote 6930 Carroll Avenue Takoma Park MD 20912	N/A	PC	General support	150,000.
John S. and James L. Knight Fndtion, Inc 200 South Biscayne Boulevard Miami FL 33131	N/A	PF	Program support for Knight News Challenge on Elections	250,000.

Democracy Fund Inc

38-3926408

Statement 14 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Millennial Action Project 1601 Connecticut Avenue, NW Washington DC 20009	N/A	PC	General support	\$ 138,000.
Nat'l Conference of State Legislatures 7700 East First Place Denver CO 80230	N/A	PC	Program support for research on election administration	175,000.
New York University 105 East 17th Street New York NY 10003	N/A	PC	Program support for bipartisan research on the current state of money in politics	100,000.
New Venture Fund 1200 18th Street, NW Washington DC 20036	N/A	PC	Program support for Next Century Cities' Democracy on a Gig Initiative	100,000.
Public Citizen Foundation, Inc. 1601 20th Street, NW Washington DC 20009	N/A	PC	Program support for Bright Lines Project	150,000.
Take Back our Republic Inc 246 East Glenn Avenue Auburn AL 36830	N/A	PC	General support	300,000.
The Institute for Cultural Evolution 743 Pine Street Boulder CO 80302	N/A	PC	Program support for convening on the future of conservatism	96,500.
The OpenGov Foundation 30011 Ivy Glenn Drive Laguna Niguel CA 92677	N/A	PC	Program support to plan for the development of a Congressional Digital Service	100,000.
The Pew Charitable Trusts 901 E St NW Washington DC 20004	N/A	PC	Program support for Safe Spaces Project	100,000.
The Project on Government Oversight, Inc 1100 G Street, NW Washington DC 20005	N/A	PC	Program support for Congressional oversight trainings	137,500.

Democracy Fund Inc

38-3926408

Statement 14 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
The University of Arizona Foundation 57 E Jackson St Tucson AZ 85701	N/A	PC	Program support for the National Institute for Civic Discourse	\$ 400,000.
Times Publishing Company 940 First Avenue South St. Petersburg FL 33701	N/A	NC	Program support for independent nonpartisan fact-checking to improve news coverage and civic discourse in the states	125,000.
Total				<u>\$ 8,888,250.</u>

Statement 15
Form 990-PF, Part XV, Line 3b
Recipient Approved for Future Payment

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Common Cause Education Fund 1133 19th St NW, 9th Flr Washington DC 20036	N/A	PC	General support	\$ 350,000.
Internet Archive PO Box 292 San Francisco CA 94129	N/A	PC	Program support for promoting collaboration on democracy issues	49,634.
The University of Texas at Austin 1 University Station, A1105 Austin TX 78712	N/A	GOV	Program support for promoting collaboration on democracy issues	31,632.
American Press Institute 4401 Wilson Blvd, Ste 900 Arlington VA 22203	N/A	PC	General support	250,000.
Online News Association 1111 North Capitol St NE Washington DC 20002	N/A	PC	Program support for the Challenge Fund for Innovation in Journalism	150,000.
Trustees of Tufts College Lincoln Filene Hall Medford MA 02155	N/A	PC	Program support for promoting collaboration on democracy issues	15,000.

Democracy Fund Inc

38-3926408

Statement 15 (continued)
Form 990-PF, Part XV, Line 3b
Recipient Approved for Future Payment

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Civic Hall Labs, Inc. 156 5th Avenue New York NY 10010	N/A	PC	Program support for Civic Hall Imagination Fellow	\$ 100,000.
Democracy Works Inc. 20 Jay St, Ste 824 Brooklyn NY 11201	N/A	PC	Program support for promoting collaboration on democracy issues	36,000.
Democracy Works Inc 20 Jay St, Ste 824 Brooklyn NY 11201	N/A	PC	Program support for promoting collaboration on democracy issues	50,000.
Congressional Management Foundation 710 E Street, SE Washington DC 20003	N/A	PC	Program support for promoting collaboration on democracy issues	49,900.
Democracy Works Inc 20 Jay St, Ste 824 Brooklyn NY 11201	N/A	PC	General support	300,000.
FairVote 6930 Carroll Avenue Takoma Park MD 20912	N/A	PC	Program support for promoting collaboration on democracy issues	50,000.
Geraldine R. Dodge Foundation, Inc. 14 Maple Avenue Morristown NJ 07960	N/A	PF	Program support for the Local News Lab in New Jersey	200,000.
Institute for Nonprofit News 17514 Ventura Blvd Encino CA 91316	N/A	PC	Program support for the INNnovation Fund	200,000.
Library of Congress 101 Independence Avenue, SE Washington DC 20540	N/A	GOV	Program support for Congressional Research Service seminars and trainings	100,000.
Open Source Election Technology Found. 530 Lytton Avenue Palo Alto CA 94301	N/A	PC	General support	250,000.
ReThink Media, Inc. 2039 Shattuck Avenue Berkeley CA 94704	N/A	PC	Program support for Collaborative	250,000.

Democracy Fund Inc

38-3926408

Statement 15 (continued)
Form 990-PF, Part XV, Line 3b
Recipient Approved for Future Payment

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
			Communications Initiative on Money in Politics	
Trustees of Columbia Univ in City of NY 729 Seventh Ave New York NY 10019	N/A	PC	Program support for promoting collaboration on democracy issues	\$ 25,875.
US Vote Foundation 4325 Old Glebe Road Arlington VA 22207	N/A	PC	Program support for promoting collaboration on democracy issues	50,000.
Voice of San Diego 2508 Historic Decatur Road San Diego CA 92106	N/A	PC	Program support for Membership Academy	25,000.
Women's Policy, Inc 409 12th Street Washington DC 20024	N/A	PC	General support	130,000.
Participatory Budgeting Project 33 Flatbush Ave Brooklyn NY 11217	N/A	PC	Program support to promoting collaboration on democracy issues	17,500.
			Total	\$ <u>2,680,541.</u>

Democracy Fund Inc

38-3926408

Form 990-PF, PART VII-B, LINE 1a(3)

During the period ended December 31, 2015, affiliated entities and related parties provided in-kind services including financial manager fees of \$137,500, recruiting fees of \$22,300, legal fees of \$90,000, rent expense of \$214,926 and other expenses of \$161,472. The total amount of these contributed services is valued at \$626,198 but was not recorded on Form 990-PF.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "DEMOCRACY FUND, INC.", FILED IN THIS OFFICE ON THE NINTH DAY OF JANUARY, A.D. 2015, AT 12:18 O'CLOCK P.M.

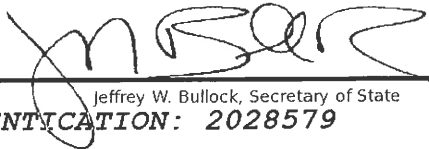
A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5480559 8100

150031266

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 2028579

DATE: 01-12-15

**CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF
CERTIFICATE OF INCORPORATION
OF
DEMOCRACY FUND, INC.**

The undersigned, an officer of Democracy Fund, Inc. (the “Corporation”), a charitable nonstock corporation organized and existing under the General Corporation Law of the State of Delaware (the “DGCL”), authorized to amend the Corporation’s Certificate of Incorporation, in accordance with sections 242 and 245 of the DGCL, hereby certifies as follows:

ARTICLE I. DATE OF INCORPORATION

The Corporation was incorporated on February 11, 2014.

ARTICLE II. NAME

The Certificate of Incorporation was issued to the Corporation under the name “Democracy Fund, Inc.”

ARTICLE III. AMENDMENTS

By affirmative vote of a majority of the Board of Directors of the Corporation at a meeting of the Board at which a quorum was present, resolutions were duly adopted approving the amendments to and restatement of the Certificate of Incorporation in the form of the Amended and Restated Certificate of Incorporation attached as **Exhibit A** and declaring said amendments to be advisable.

ARTICLE IV. APPROVAL AND ADOPTION OF AMENDMENTS

The amendments to and restatement of the Corporation’s Certificate of Incorporation set forth in the form of the Amended and Restated Certificate of Incorporation attached as **Exhibit A** were approved and duly adopted in accordance with the provisions of sections 242 and 245 of the DGCL.

{Signature on next page.}

The Corporation has caused this Certificate of Amendment and Restatement of the Certificate of Incorporation of Democracy Fund, Inc., to be executed on January 8, 2015, by the undersigned, a duly authorized officer of the Corporation.

DEMOCRACY FUND, INC.

By: 

Name: Joseph Goldman

Title: President

CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF
CERTIFICATE OF INCORPORATION
OF
DEMOCRACY FUND, INC.

Exhibit A

Amended and Restated Certificate of Incorporation

(See attached.)

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DEMOCRACY FUND, INC.**

ARTICLE I. NAME

The name of the corporation is Democracy Fund, Inc. (the "Corporation").

ARTICLE II. REGISTERED OFFICE AND AGENT

A. The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

B. The name of the Corporation's registered agent at that address is The Corporation Trust Company.

ARTICLE III. PURPOSE

A. The Corporation is a nonprofit organization incorporated and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (all references to sections of the Code include the corresponding provision of any subsequent federal tax law).

B. In furtherance of the foregoing purposes, the Corporation has all powers granted to a corporation under the General Corporation Law of the State of Delaware and the power to do all things necessary, proper, and consistent with maintaining its tax-exempt status under section 501(c)(3) of the Code and its qualification to receive contributions deductible under section 170(c)(2) of the Code.

C. No part of the net earnings of the Corporation may inure to the benefit of or be distributed to any director, employee, or other individual, partnership, estate, trust, or corporation having a personal or private interest in the Corporation. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of the Corporation must be limited to reasonable amounts. No part of the activities of the Corporation may be devoted to the carrying on of propaganda or otherwise attempting to influence legislation in a manner or to an extent that would disqualify the Corporation for tax exemption under section 501(c)(3) of the Code. The Corporation shall not "participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office" within the meaning of section 501(c)(3) of the Code.

D. Notwithstanding any other provisions of this Certificate, the Corporation shall not carry on any activity not permitted to be carried on by:

1. a corporation exempt from federal income tax under section 501(c)(3) of the Code; or
2. a corporation contributions to which are deductible under section 170(c)(2) of the Code.

ARTICLE IV. STOCK

The Corporation is not organized for profit and does not have authority to issue capital stock.

ARTICLE V. MEMBERS

- A. The directors of the Corporation are its members.
- B. The rights, powers, and duties of the members of the Corporation are as set out in the Bylaws of the Corporation.

ARTICLE VI. DIRECTORS

- A. The affairs and business of the Corporation are to be managed and conducted by the directors of the Corporation.
- B. The qualifications, manner of election, number, tenure, powers, and duties of the directors of the Corporation are as set out in the Bylaws of the Corporation.
- C. The directors have the power to adopt, amend, or repeal the Bylaws.
- D. A director may vote by proxy executed by that director. A director may revoke a proxy at his or her pleasure, unless otherwise required by law.

ARTICLE VII. DIRECTOR LIABILITY

- A. No director of the Corporation is personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director except that this Article VII does not eliminate or limit the liability of a director for:
 1. any breach of a director's duty of loyalty to the Corporation;
 2. acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or
 3. any transaction from which the director involved derived an improper personal benefit.
- B. If the General Corporation Law of the State of Delaware is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of

the Corporation, in addition to the limitation of personal liability set out in this Article VII, will be limited to the fullest extent permitted by the amended law.

ARTICLE VIII. PRIVATE FOUNDATION RULES

During any period that the Corporation is classified as a private foundation, as defined in section 509(a) of the Code, it is subject to the following restrictions:

1. the Corporation shall not engage in any act of self-dealing as defined in section 4941(d) of the Code;
2. the Corporation shall make distributions for each taxable year at such time and in such manner so as not to become subject to the tax on undistributed income imposed by section 4942 of the Code;
3. the Corporation shall not retain any excess business holdings as defined in section 4943(c) of the Code;
4. the Corporation shall not make any investments in such manner as to subject it to tax under section 4944 of the Code; and
5. the Corporation shall not make any taxable expenditures as defined in section 4945(d) of the Code.

ARTICLE IX. DISSOLUTION

In the event of the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary, involuntary, or by operation of law:

1. None of the property of the Corporation or any proceeds of that property may be distributed to or divided among any of the directors or officers of the Corporation or inure to the benefit of any individual.
2. After all liabilities and obligations of the Corporation have been paid, satisfied, and discharged, or adequate provision made therefor, all remaining property and assets of the Corporation must be distributed to one or more organizations formed and operated exclusively for educational or charitable purposes within the meaning of section 501(c)(3) of the Code, if the following conditions are met:
 - (a) transfers of property to such organizations must, to the extent then permitted under the laws of the United States, be exempt from federal gift, succession, inheritance, estate, or death taxes (by whatever named called);
 - (b) such organizations must be exempt from federal income taxes by reason of section 501(c)(3) of the Code; and
 - (c) contributions to such organization must be deductible by reason of section 170 of the Code.