

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning 07-01-2007 and ending 06-30-2008

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: PACIFIC CLINICS. Number and street: 800 S SANTA ANITA AVE. City or town: ARCADIA, CA 91006

D Employer identification number: 95-1644034. E Telephone number: (626) 254-5000. F Accounting method: Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes" enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: WWW.PACIFICCLINICS.ORG

J Organization type (check only one): 501(c)(3)

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000

I Group Exemption Number. M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 87,439,437

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events and activities, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets or fund balances at beginning of year, Other changes in net assets, Net assets or fund balances at end of year.

**Part III Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		<b>(A) Total</b>	<b>(B) Program services</b>	<b>(C) Management and general</b>	<b>(D) Fundraising</b>
<b>22a</b>	Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b>	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>23</b>	Specific assistance to individuals (attach schedule)				
<b>24</b>	Benefits paid to or for members (attach schedule)				
<b>25a</b>	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule)	967,735	783,865	183,870	
<b>b</b>	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)				
<b>c</b>	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
<b>26</b>	Salaries and wages of employees not included on lines 25a, b and c	45,324,699	36,567,374	8,757,325	
<b>27</b>	Pension plan contributions not included on lines 25a, b and c	1,621,694	1,313,572	308,122	
<b>28</b>	Employee benefits not included on lines 25a - 27	5,773,586	4,687,685	1,085,901	
<b>29</b>	Payroll taxes	3,902,017	3,160,634	741,383	
<b>30</b>	Professional fundraising fees				
<b>31</b>	Accounting fees	79,721	69,118	10,603	
<b>32</b>	Legal fees	71,498	61,989	9,509	
<b>33</b>	Supplies	3,245,781	2,861,538	384,243	
<b>34</b>	Telephone	1,222,794	848,117	374,677	
<b>35</b>	Postage and shipping	43,571	27,580	15,991	
<b>36</b>	Occupancy	2,185,495	1,923,757	261,738	
<b>37</b>	Equipment rental and maintenance	873,412	702,975	170,437	
<b>38</b>	Printing and publications	130,643	49,504	81,139	
<b>39</b>	Travel	889,169	710,715	178,454	
<b>40</b>	Conferences, conventions, and meetings	212,104	49,919	162,185	
<b>41</b>	Interest	116,308	50,336	65,972	
<b>42</b>	Depreciation, depletion, etc. (attach schedule)	559,802	106,454	453,348	
<b>43</b>	Other expenses not covered above (itemize)				
<b>a</b>	Rent	5,911,912	5,108,657	803,255	
<b>b</b>	Other professional fees	3,980,121	3,451,046	529,075	
<b>c</b>	Dues and subscriptions	117,775	31,321	86,454	
<b>d</b>	Other operating expenses	944,926	608,334	325,633	10,959
<b>e</b>	Purchased services	3,440,957	3,376,056	64,901	
<b>f</b>					
<b>g</b>					
<b>44</b>	<b>Total functional expenses.</b> Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	81,615,720	66,550,546	15,054,215	10,959

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

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

**Part III Statement of Program Service Accomplishments (See the instructions.)**

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? <b>▶</b> PACIFIC CLINICS IS A NONPROFIT CALIFORNIA CORPORATION WHICH OFFERS MENTAL HEALTH SERVICES TO CHILDREN AND ADULTS DURING EMOTIONAL CRISES AND PROVIDES ONGOING PROGRAMS FOR THE BENEFIT OF THE CHRONICALLY MENTALLY ILL. PACIFIC CLINICS HAS PROGRAMS FUNDED THROUGH GOVERNMENTAL GRANTS AND PRIVATE FUNDING TO PROVIDE SERVICES TO THE <u>NEEDY</u> .	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
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All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**a** Pacific Clinics provides MENTAL HEALTH services to children, youth, adults, and older adults through an array of programs in five counties in Southern California. Its services include housing, employment, education, integrated services for co-occurring mental illness and substance abuse disorders. When possible, Pacific Clinics also employs advocates and family advocates to assist treatment staff in serving specialized populations in a manner that is sensitive to their needs and culture. Pacific Clinics continues to expand its services to underserved ethnic populations, and to children in local elementary schools as well as in family settings.

(Grants and allocations \$ ) If this amount includes foreign grants, check here  66,550,546

**b** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Grants and allocations \$ ) If this amount includes foreign grants, check here

**c** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Grants and allocations \$ ) If this amount includes foreign grants, check here

**d** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Grants and allocations \$ ) If this amount includes foreign grants, check here

**e** Other program services (attach schedule)  
 (Grants and allocations \$ ) If this amount includes foreign grants, check here

**f Total of Program Service Expenses** (should equal line 44, column (B), Program services) **▶** 66,550,546

**Part IV Balance Sheets (See the instructions.)**

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

		<b>(A)</b>		<b>(B)</b>		
		Beginning of year		End of year		
<b>Assets</b>	<b>45</b> Cash—non-interest-bearing . . . . .		2,325,337	<b>45</b>	3,286,140	
	<b>46</b> Savings and temporary cash investments . . . . .		3,809,213	<b>46</b>	6,849,728	
	<b>47a</b> Accounts receivable . . . . .	<b>47a</b>	3,222,495			
	<b>b</b> Less allowance for doubtful accounts	<b>47b</b>		8,082,461	<b>47c</b>	3,222,495
	<b>48a</b> Pledges receivable . . . . .	<b>48a</b>				
	<b>b</b> Less allowance for doubtful accounts	<b>48b</b>			<b>48c</b>	
	<b>49</b> Grants receivable . . . . .				<b>49</b>	
	<b>50a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .				<b>50a</b>	
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule) . . . . .				<b>50b</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b>				
	<b>b</b> Less allowance for doubtful accounts	<b>51b</b>			<b>51c</b>	
	<b>52</b> Inventories for sale or use . . . . .				<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .		592,289		<b>53</b>	793,023
	<b>54a</b> Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV				<b>54a</b>	
	<b>b</b> Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV				<b>54b</b>	
<b>55a</b> Investments—land, buildings, and equipment basis . . . . .	<b>55a</b>					
<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>55b</b>			<b>55c</b>		
<b>56</b> Investments—other (attach schedule) . . . . .				<b>56</b>		
<b>57a</b> Land, buildings, and equipment basis	<b>57a</b>	11,393,461				
<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>57b</b>	4,871,022	1,090,823	<b>57c</b>	6,522,439	
<b>58</b> Other assets, including program-related investments (describe <input type="checkbox"/> _____ )				<b>58</b>		
<b>59 Total assets</b> (must equal line 74) Add lines 45 through 58 . . . . .		15,900,123		<b>59</b>	20,673,825	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .		7,677,813	<b>60</b>	11,905,745	
	<b>61</b> Grants payable . . . . .			<b>61</b>		
	<b>62</b> Deferred revenue . . . . .		1,331,073	<b>62</b>	1,109,228	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			<b>63</b>		
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .			<b>64a</b>		
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .		4,200,000	<b>64b</b>	2,500,000	
	<b>65</b> Other liabilities (describe <input type="checkbox"/> _____ )		433,638	<b>65</b>	1,640,355	
<b>66 Total liabilities</b> Add lines 60 through 65 . . . . .		13,642,524		<b>66</b>	17,155,328	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>					
	<b>67</b> Unrestricted . . . . .		2,257,599	<b>67</b>	3,518,497	
	<b>68</b> Temporarily restricted . . . . .			<b>68</b>		
	<b>69</b> Permanently restricted . . . . .			<b>69</b>		
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>					
	<b>70</b> Capital stock, trust principal, or current funds . . . . .			<b>70</b>		
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .			<b>71</b>		
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .			<b>72</b>		
	<b>73 Total net assets or fund balances</b> Add lines 67 through 69 <b>or</b> lines 70 through 72 (Column (A) <b>must</b> equal line 19 and column (B) <b>must</b> equal line 21) . . . . .		2,257,599	<b>73</b>	3,518,497	
	<b>74 Total liabilities and net assets / fund balances</b> Add lines 66 and 73 . . . . .		15,900,123	<b>74</b>	20,673,825	





Part VI Other Information (continued)

		Yes	No
<b>82a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		No
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	<b>82b</b>	
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	Yes	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	Yes	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>85</b>	<b>501(c)(4), (5), or (6) organizations.</b> <b>a</b> Were substantially all dues nondeductible by members?		
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes," was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year		
<b>c</b>	Dues assessments, and similar amounts from members	<b>85c</b>	
<b>d</b>	Section 162(e) lobbying and political expenditures	<b>85d</b>	
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>	
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>	
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>	
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>	
<b>86</b>	<b>501(c)(7) orgs.</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>	
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>	
<b>87</b>	<b>501(c)(12) orgs.</b> Enter <b>a</b> Gross income from members or shareholders	<b>87a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>87b</b>	
<b>88a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		No
<b>b</b>	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI		No
<b>89a</b>	<b>501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
<b>b</b>	<b>501(c)(3) and 501(c)(4) orgs.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	<b>89b</b>	No
<b>c</b>	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u>		
<b>d</b>	Enter Amount of tax on line 89c, above, reimbursed by the organization		
<b>e</b>	<b>All organizations.</b> At any time during the tax year was the organization a party to a prohibited tax shelter transaction?	<b>89e</b>	No
<b>f</b>	<b>All organizations.</b> Did the organization acquire direct or indirect interest in any applicable insurance contract?	<b>89f</b>	No
<b>g</b>	<b>For supporting organizations and sponsoring organizations maintaining donor advised funds.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>89g</b>	No
<b>90a</b>	List the states with which a copy of this return is filed <u>CA</u>		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	<b>90b</b>	1,167
<b>91a</b>	The books are in care of <u>JOSEPH WONG</u> Telephone no <u>(626) 254-5000</u> <u>800 S SANTA ANITA AVE</u> Located at <u>ARCADIA, CA</u> ZIP + 4 <u>91006</u>		
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts	<b>91b</b>	No

**Part VI Other Information (continued)**

**c** At any time during the calendar year, did the organization maintain an office outside of the United States? **91c**  Yes  No

If "Yes," enter the name of the foreign country \_\_\_\_\_

**92** Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here  and enter the amount of tax-exempt interest received or accrued during the tax year **92** \_\_\_\_\_

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

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue					
<b>a</b> GRANTS AND CONTRACTS					72,926,442
<b>b</b> CLIENT AND THIRD-PARTY REVENUE					78,429
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments . . . . .					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments			14	379,291	
<b>96</b> Dividends and interest from securities . . . . .					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property . . . . .					
<b>b</b> non debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events . . . . .					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue <b>a</b> MISCELLANEOUS					79,193
<b>b</b> SUBLEASE OF RENTAL PROPERTY			16	238,116	
<b>c</b> amortization of deferred gain			01	221,845	
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .				839,252	73,084,064
<b>105</b> Total (add line 104, columns (B), (D), and (E)) . . . . .					73,923,316

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A-	CLIENT SERVICE REVENUE FOR PROVIDING SERVICES TO THE MENTALLY ILL
103a	OTHER REVENUE RELATING TO EXEMPT PURPOSE

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

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

**(a)** Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

**(b)** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**NOTE:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).







**Part XI Information Regarding Transfers To and From Controlled Entities** Complete only if the organization is a controlling organization as defined in section 512(b)(13)

				Yes	No
<b>106</b> Did the reporting organization <b>make</b> any transfers <b>to</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
<b>Totals</b>					

				Yes	No
<b>107</b> Did the reporting organization <b>receive</b> any transfers <b>from</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
<b>Totals</b>					

		Yes	No
<b>108</b> Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?			

<b>Please Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	***** Signature of officer		2009-04-21 Date
	JOSEPH WONG cfo Type or print name and title		

<b>Paid Preparer's Use Only</b>	Preparer's signature  Collin F Buzzell	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4  RSM McGladrey Inc 801 Nicollet Mall Suite 1100 Minneapolis, MN 55402			EIN  Phone no  (612) 573-8750

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

**Organization Exempt Under Section 501(c)(3)  
(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust  
Supplementary Information—(See separate instructions.)**

OMB No 1545-0047

**2007**

Department of the  
Treasury  
Internal Revenue  
Service

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

Name of the organization  
PACIFIC CLINICS

**Employer identification number**

95-1644034

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Jasjeet Miglani-Nayar 800 S SANTA ANITA AVE ARCADIA, CA 91006	MD 38 00	208,401	16,179	0
Ara Artinian 800 S SANTA ANITA AVE ARCADIA, CA 91006	VP OPERATIONS 38 00	181,340	19,777	0
Susan Shearer 800 S SANTA ANITA AVE ARCADIA, CA 91006	SR VP 38 00	178,682	14,934	0
Ramarao Danaboyina 800 S SANTA ANITA AVE ARCADIA, CA 91006	CHIEF TECH OFCR 38 00	168,709	19,256	0
Gordon St Mary 800 S SANTA ANITA AVE ARCADIA, CA 91006	SR VP PROGRAMS 38 00	150,000	17,328	0
Total number of other employees paid over \$50,000 ▶	245			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Eggleston Youth Center Inc 13001 Ramona Blvd Ste E Irwindale, CA 91706	Mental Hlth & medication support services	718,535
Homes of Hope 1107 S Glendora Avenue West Covina, CA 91790	Mental Hlth & medication support services	667,988
Concept 7 Inc 3100 S Harbor Blvd Ste 200 Santa Ana, CA 92704	Mental Hlth & medication support services	626,476
Elsa C Cruz MD Inc 3755 Division Street Los Angeles, CA 90065	Health care professionals	233,860
Union Station Homeless Services 825 E Orange Grove Blvd Pasadena, CA 91104	Mental Hlth & medication support services	233,061
Total number of others receiving over \$50,000 for professional services ▶	29	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
American Commercial Services II In 34 West Dayton Street Pasadena, CA 91105	Security Services	219,806
ADP Inc La Palma Region PO Box 78415 Phoenix, AZ 850628415	Payroll Services	148,556
Waxie Sanitary Supply PO Box 81006 San Diego, CA 921381006	Janitorial Services	98,146
Ma-Cherie Janitorial Services 127 N Angeleno Avenue 2 Azusa, CA 91702	Janitorial Services	77,749
Cri-Help Inc 11027 Burbank Blvd North Hollywood, CA 91601	Treatment Detox Services	73,500
Total number of other contractors receiving over \$50,000 for other services ▶		

**Part III Statements About Activities** (See page 2 of the instructions.)

**Yes No**

<p><b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶\$ _____(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	<b>1</b>		No
<p><b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p> <p><b>a</b> Sale, exchange, or leasing property?</p>	<b>2a</b>		No
<p><b>b</b> Lending of money or other extension of credit?</p>	<b>2b</b>		No
<p><b>c</b> Furnishing of goods, services, or facilities?</p>	<b>2c</b>		No
<p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	<b>2d</b>	Yes	
<p><b>e</b> Transfer of any part of its income or assets?</p>	<b>2e</b>		No
<p><b>3a</b> Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments )</p>	<b>3a</b>		No
<p><b>b</b> Did the organization have a section 403(b) annuity plan for its employees?</p>	<b>3b</b>		No
<p><b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement</p>	<b>3c</b>		No
<p><b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	<b>3d</b>		No
<p><b>4a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	<b>4a</b>		No
<p><b>b</b> Did the organization make any taxable distributions under section 4966?</p>	<b>4b</b>		
<p><b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?</p>	<b>4c</b>		
<p><b>d</b> Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p><b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p><b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0 _____</p>			
<p><b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 0 _____</p>			

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box )

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

**Provide the following information about the supported organizations. (see page 7 of the instructions.)**

(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
<b>Total</b>					<input type="checkbox"/>

- 14**  An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions )

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

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

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	1,997,713	282,700	2,766,365	3,284,288	8,331,066
<b>16</b> Membership fees received					0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	59,147,860	59,887,719	50,462,883	50,948,730	220,447,192
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	293,716	296,616	50,174	16,411	656,917
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	148,569	193,868	58,408	75,614	476,459
<b>23</b> Total of lines 15 through 22	61,587,858	60,660,903	53,337,830	54,325,043	229,911,634
<b>24</b> Line 23 minus line 17	2,439,998	773,184	2,874,947	3,376,313	9,464,442
<b>25</b> Enter 1% of line 23	615,879	606,609	533,378	543,250	
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>26a</b> 189,289
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b> 0
<b>c</b> Total support for section 509(a)(1) test Enter line 24, column (e)					<b>26c</b> 9,464,442
<b>d</b> Add Amounts from column (e) for lines	18 656,917	19 0			
	22	26b 0			<b>26d</b> 1,133,376
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b> 8,331,066
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 8802.49 %
<b>27 Organizations described on line 12:</b>					
<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " Do not file this list with your return. Enter the sum of such amounts for each year (2006) _____ (2005) _____ (2004) _____ (2003) _____					
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals ) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2006) _____ (2005) _____ (2004) _____ (2003) _____					
<b>c</b> Add Amounts from column (e) for lines	15 _____	16 _____			
	17 _____	20 _____	21 _____		
<b>d</b> Add Line 27a total _____ and line 27b total _____					<b>27c</b> _____
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27d</b> _____
<b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e)					<b>27e</b> _____
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27f</b> _____
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27g</b> _____
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					<b>27h</b> _____

**Part V Private School Questionnaire** (See page 7 of the instructions.)  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?		
<b>b</b>	Admissions policies?		
<b>c</b>	Employment of faculty or administrative staff?		
<b>d</b>	Scholarships or other financial assistance?		
<b>e</b>	Educational policies?		
<b>f</b>	Use of facilities?		
<b>g</b>	Athletic programs?		
<b>h</b>	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred )

**(a)**  
Affiliated group  
totals

**(b)**  
To be completed  
for all electing  
organizations

<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b>	Other exempt purpose expenditures	<b>39</b>		
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table— <b>If the amount on line 40 is—</b> <b>The lobbying nontaxable amount is—</b> Not over \$500,000                                      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000      \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000    \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000   \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000                                    \$1,000,000	<b>41</b>		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>		

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

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

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
See the instructions for lines 45 through 50 on page 11 of the instructions )

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	<b>(a)</b> 2007	<b>(b)</b> 2006	<b>(c)</b> 2005	<b>(d)</b> 2004	<b>(e)</b> Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

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

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines **c** through **h**.)

Yes	No	Amount

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





**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 95-1644034  
**Name:** PACIFIC CLINICS

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

<b>(A) Name and address</b>	<b>(B) Title and average hours per week devoted to position</b>	<b>(C) Compensation (If not paid, enter -0-.)</b>	<b>(D) Contributions to employee benefit plans &amp; deferred compensation plans</b>	<b>(E) Expense account and other allowances</b>
Lary J Mielke 800 s santa anita ave arcadia, CA 91006	Board Chair 2 00	0	0	0
Ronald C Banks 800 s santa anita ave arcadia, CA 91006	Board Vice Chair 2 00	0	0	0
May Farr 800 s santa anita ave arcadia, CA 91006	Board Secretary 1 00	0	0	0
Zaven Kazazian JD CBC 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
John S Brekke PhD 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Barbara Kekich 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Oscar Acosta 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Sheila Clarke 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Marilyn Diaz 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Larry Daines 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

<b>(A) Name and address</b>	<b>(B) Title and average hours per week devoted to position</b>	<b>(C) Compensation (If not paid, enter -0-.)</b>	<b>(D) Contributions to employee benefit plans &amp; deferred compensation plans</b>	<b>(E) Expense account and other allowances</b>
George Drucker 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Dolores Encinas 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Stacy Harrison 800 s santa anita ave arcadia, CA 91006	Director 1 00	0	0	0
Roy Kushel 800 s santa anita ave arcadia, CA 91006	director 1 00	0	0	0
Blair Salisbury 800 s santa anita ave arcadia, CA 91006	director 1 00	0	0	0
Russel Tyner AIA 800 s santa anita ave arcadia, CA 91006	director 1 00	0	0	0
Frank Wills 800 s santa anita ave arcadia, CA 91006	director 1 00	0	0	0
Rosa Zee 800 s santa anita ave arcadia, CA 91006	director 1 00	0	0	0
Susan Mandel PhD 800 s santa anita ave Arcadia, CA 91006	PRESIDENTCEO 38 00	376,514	27,246	11,954
James Balla MBA 800 s santa anita ave Arcadia, CA 91006	executive vpcoo 38 00	260,527	26,495	41,835

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

<b>(A) Name and address</b>	<b>(B) Title and average hours per week devoted to position</b>	<b>(C) Compensation (If not paid, enter -0-.)</b>	<b>(D) Contributions to employee benefit plans &amp; deferred compensation plans</b>	<b>(E) Expense account and other allowances</b>
Gary Muenzel 800 s santa anita ave arcadia, CA 91006	CFO 38 00	211,534	11,630	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2007 Compensation Schedule

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
JAMES BALLA	PORTALS FOUNDATION INC	95-4639115	PORTALS FOUNDATION INC SUPPORTS PACIFIC CLINICS	0	0	0	

**TY 2007 Depreciation and Depletion Schedule****Name:** PACIFIC CLINICS**EIN:** 95-1644034

<b>Asset</b>	<b>Amount</b>
Building and Improvements	54,404
Machinery and Equipment	72,175
Furniture and Fixtures	404,529
Leasehold Improvements	8,212
Computer Equipment	20,482

**TY 2007 Land etc. Schedule**

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

<b>Category/Item</b>	<b>Cost/Other Basis</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Land	935,889		935,889
Building and Improvements	3,982,111	54,404	3,927,707
Machinery and Equipment	2,725,109	1,889,495	835,614
Furniture and Fixtures	2,013,894	1,662,148	351,746
Construction In Progress	61,297		61,297
Leasehold Improvements	996,110	599,191	396,919
Computer Equipment	679,051	665,784	13,267

## TY 2007 Mortgages and Notes Payable Schedule

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

**Total Mortgage Amount:** 0

## TY 2007 Other Changes in Net Assets Schedule

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

Description	Amount
OF REVENUE FOR PRIOR YEAR CONTRACTS	-4,562,819



**TY 2007 Other Expenses Included Schedule**

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

Description	Amount
OF REVENUE FOR PRIOR YEAR CONTRACTS	4,562,819

## TY 2007 Other Liabilities Schedule

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

Description	Beginning of Year Amount	End of Year Amount
CAPITAL LEASES	433,638	817,355
accrued contractual disallowances	0	823,000

# TY 2007 Other Income Schedule

**Name:** PACIFIC CLINICS

**EIN:** 95-1644034

Description	2006	2005	2004	2003	Total
MISCELLANEOUS	148,569	142,857	3,872	12,320	307,618
SUBLEASE OF RENTAL PROPERTY		51,011	54,536	63,294	168,841

RESTATED ARTICLES OF INCORPORATION OF  
PACIFIC CLINICS  
(a California nonprofit public benefit corporation)

The undersigned certify that:

1. They are the President and Secretary, respectively, of Pacific Clinics, a California nonprofit public benefit corporation.
2. The Articles of Incorporation of Pacific Clinics are amended and restated to read as follows:

ARTICLE I

The name of this corporation is Pacific Clinics.

ARTICLE II

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The corporation shall be operated exclusively for charitable purposes described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or a corresponding provision of any subsequent federal tax laws (the "Code"). In order to carry out its charitable purposes, the corporation shall have all the rights, privileges and powers granted to a nonprofit public benefit corporation under California law.

ARTICLE III

This corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law of 1980 not otherwise applicable to it under Part 5.

ARTICLE IV

No part of the net earnings of this corporation shall inure to the benefit of any person having a personal or private interest in the activities of the corporation, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes set forth in Article II.

ARTICLE V

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not

participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

#### ARTICLE VI

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to one or more nonprofit funds, foundations or corporations that are organized and operated exclusively for charitable purposes and which have established tax exempt status under Section 501(c)(3) of the Code.

#### ARTICLE VI

The exact number of directors of this corporation shall be specified in or fixed in accordance with the bylaws of this corporation. The directors of this corporation shall be elected or appointed in the manner and for terms as specified or fixed in accordance with the bylaws of this corporation.

#### ARTICLE VII

This corporation shall have no members. This corporation may, however, identify as "members" those individuals, corporations, or other associations and organizations who satisfy certain criteria established by the Board of Directors and who support the purposes and programs of this corporation. Such designations shall carry no legal significance and shall not entitle such individuals, corporations, or other associations and organizations to any vote on this corporation's matters or to notice of, or attendance at, this corporation's meetings.


*[Remainder of the page is blank]*

3. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the Board of Directors of Pacific Clinics.


4. This corporation has no members and therefore, the foregoing amendment and restatement of the Articles of Incorporation may be adopted with approval of the Board of Directors of Pacific Clinics alone.

We further verify, under penalty of perjury, that the facts set forth in this certificate are true.

Dated: June 28, 2007



[Name] Susan Mandel, Ph.D.  
President



[Name] Frank Willis  
Secretary

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