



GIFTS OF SECURITIES TO SAINT MARY'S COLLEGE OF CALIFORNIA

Securities (e.g., common or preferred stock) may be given at their current value as an outright gift. In this way, the donor is spared all capital gains taxes and receives a charitable income tax deduction based on the stock's fair market value (FMV). These benefits reduce the real cost of the gift to the donor, especially if he or she had a very low cost basis on the stock, and are enhanced at calendar year-end.

The FMV of publicly traded stocks is determined by taking the mean (or average) between the high and low price per share on the day the gift is transacted. Determining the value of closely or privately held stocks can be a bit more complex. IRS Publication 561 should be followed in valuing this type of security.

The income tax deduction available to the donor is equal to the full FMV of the stock, up to 30% of the donor's adjusted gross income (AGI) in the year of the gift. A gift in excess of this 30% limitation can be carried forward for up to five additional years with the same AGI limitations of the law.

The transfer of stock to Saint Mary's College of California is easy. There are basically three ways to accomplish it:

1. Deliver the properly endorsed stock certificate to the College. If mailed, it must be sent via registered mail since, once the certificate has been endorsed, it is just like a bearer bond or cash. The attached sample of an affidavit must also be signed by the donor.
2. Deliver the stock certificate (not endorsed) along with a properly endorsed stock power form to the College. If mailed, the certificate and stock power form should be mailed separately. Stock power forms can be obtained from a broker or a bank.
3. FASTEST and SAFEST WAY: Electronically transfer the block of stock from the donor's account by the donor's broker directly to the Saint Mary's College's account with Morgan Stanley (see account information on next page).

Because the value of the donor's charitable income tax deduction is determined by the delivery date of the stock (i.e., the date the certificate and forms are mailed or the date the electronic transfer takes place), the value is not affected by any stock market fluctuations after the date of delivery. Should the stock's value decline after the date of delivery, the charitable deduction is not reduced. Conversely, if the stock's value rises after the delivery date, the deduction is not increased.

GIFTS OF SECURITIES, cont.

Saint Mary's College of California uses Morgan Stanley as its primary broker for gifts of stock. Any activity with Morgan Stanley should reference the College's Account Number:

Account: 141-051355-136

Contact: Christopher McCaffrey
Senior Portfolio Manager
Vice President
Financial Advisor
Morgan Stanley
700 Main Street
Suite 315
Napa, CA 94558
(707) 254-4468
CA Insurance Lic. #0B84334
NMLS # 1364381
chris.mccaffrey@ms.com
www.morganstanley.com/fa/chris.mccaffrey

If requested by your broker:

Morgan Stanley's DTC number: 0015
The College's Legal Name: Saint Mary's College of California
Federal Tax ID Number: 94-1156599
Contact Information: Office of Advancement at (925) 631-4434

Please call in advance if you are planning to give shares in a mutual fund. Special arrangements must be made to insure maximum gift value for the College and the donor.

TO: Morgan Stanley



In consideration of the acceptance by you for the account of:
SAINT MARY'S COLLEGE OF CALIFORNIA

AC #: _____

Of the certificate:

Cert #: _____ for: _____

Cert #: _____ for: _____

shares registered in the name of:

I do hereby relinquish all rights, title and interest in and to said securities, and I do hereby and irrevocably release and discharge you of any claims by us or my legal representatives with reference thereto, including proceeds of the sale or other disposition thereof.

Yours truly,

Date: _____