

Return of Organization Exempt from Income Tax

2001

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2001 calendar year, or tax year beginning Jul 1, 2001, and ending Jun 30, 2002

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

C Name of organization: Alzheimer's Disease and Related Disorders Association, Inc. Address: 919 North Michigan Avenue, Chicago, IL 60611-1676

D Employer Identification Number: 13-3039601
E Telephone number: (312) 335-8700
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? No
H (b) If 'yes,' enter number of affiliates
H (c) Are all affiliates included? No
H (d) Is this a separate return filed by an organization covered by a group ruling? No

G Web site:

J Organization type: 501(c) 3

K Check here if the organization's gross receipts are normally not more than \$25,000. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 72,963,198.

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

Table with 21 rows and 4 columns: Description, Sub-part, Amount, Total. Includes sections for Revenue (lines 1-12) and Expenses (lines 13-17), ending with Net Assets (lines 18-21).

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ 20,826,670. non-cash \$)	22	20,826,670.	20,826,670.		
23 Specific assistance to individuals (att sch)	23	0.	0.		
24 Benefits paid to or for members (att sch)	24	0.	0.		
25 Compensation of officers, directors, etc	25	421,700.	0.	421,700.	0.
26 Other salaries and wages	26	11,580,645.	8,704,036.	-18,853.	2,895,462.
27 Pension plan contributions	27	938,959.	595,434.	142,179.	201,346.
28 Other employee benefits	28	685,342.	422,684.	111,448.	151,210.
29 Payroll taxes	29	737,952.	463,441.	107,374.	167,137.
30 Professional fundraising fees	30	0.	0.	0.	0.
31 Accounting fees	31	104,557.	77,463.	9,227.	17,867.
32 Legal fees	32	144,401.	97,141.	4,816.	42,444.
33 Supplies	33	215,482.	153,187.	4,448.	57,847.
34 Telephone	34	497,841.	349,812.	5,479.	142,550.
35 Postage and shipping	35	7,094,664.	3,883,126.	9,483.	3,202,055.
36 Occupancy	36	1,966,239.	1,373,089.	41,084.	552,066.
37 Equipment rental and maintenance	37	0.	0.	0.	0.
38 Printing and publications	38	8,531,347.	4,612,684.	4,059.	3,914,604.
39 Travel	39	1,094,159.	826,158.	28,671.	239,330.
40 Conferences, conventions, and meetings	40	986,074.	800,216.	12,558.	173,300.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	1,238,081.	818,062.	71,755.	348,264.
43 Other expenses not covered above (itemize):					
a Miscellaneous	43a	381,847.	167,206.	47,560.	167,081.
b Professional fees	43b	3,201,684.	2,051,541.	30,211.	1,119,932.
c Recruitment fees	43c	213,766.	150,189.	5,442.	58,135.
d State registration fees	43d	0.	0.	0.	0.
e	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	60,861,410.	46,372,139.	1,038,641.	13,450,630.

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 \$ 13,527,684. ; (ii) the amount allocated to program services \$ 7,034,396. ; (iii) the amount allocated to management and general \$ 6,493,288. ; and (iv) the amount allocated to fundraising \$ 0.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>See Attachment</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>Research</u> ----- ----- ----- (Grants and allocations \$ 17,516,426.)	19,143,736.
b <u>Public Awareness and Education</u> ----- ----- ----- (Grants and allocations \$ 33,123.)	12,180,881.
c <u>Chapter Services</u> ----- ----- ----- (Grants and allocations \$ 1,808,402.)	6,800,709.
d <u>Public Policy</u> ----- ----- ----- (Grants and allocations \$ 198,138.)	2,630,991.
e Other program services (Grants and allocations \$ 1,270,581.)	5,615,822.
f Total of Program Service Expenses (should equal line 44, column (B), program services)	46,372,139.

Part IV Balance Sheets (See instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year	
A S S E T S	45 Cash – non-interest-bearing	1,868,814.	45	4,179,948.	
	46 Savings and temporary cash investments	818,931.	46	651,804.	
	47a Accounts receivable	1,769,872.			
	b Less: allowance for doubtful accounts	102,717.			
			1,382,261.	47c	1,667,155.
	48a Pledges receivable	20,098,936.			
	b Less: allowance for doubtful accounts	699,505.			
			6,946,919.	48c	19,399,431.
	49 Grants receivable			49	0.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	0.
	51a Other notes & loans receivable (attach sch)	0.			
	b Less: allowance for doubtful accounts	0.			
				51c	0.
	52 Inventories for sale or use	620,089.	52		461,985.
	53 Prepaid expenses and deferred charges	1,959,011.	53		2,103,541.
	54 Investments – securities (attach schedule)	55,637,888.	54		49,796,611.
	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV				
	55a Investments – land, buildings, & equipment: basis	0.			
	b Less: accumulated depreciation (attach schedule)	0.			
			55c	0.	
56 Investments – other (attach schedule)			56		
57a Land, buildings, and equipment: basis	8,470,938.				
b Less: accumulated depreciation (attach schedule)	5,734,223.				
		2,955,915.	57c	2,736,715.	
58 Other assets (describe <input type="checkbox"/>			58		
59 Total assets (add lines 45 through 58) (must equal line 74)	72,189,828.	59		80,997,190.	
L I A B I L I T I E S	60 Accounts payable and accrued expenses	6,485,718.	60	5,233,048.	
	61 Grants payable	33,559,365.	61	34,632,748.	
	62 Deferred revenue	393,922.	62	1,363,328.	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	0.	
	64a Tax-exempt bond liabilities (attach schedule)		64a	0.	
	b Mortgages and other notes payable (attach schedule)		64b	0.	
	65 Other liabilities (describe <input type="checkbox"/> Deferred Rent	753,366.	65		599,383.
66 Total liabilities (add lines 60 through 65)	41,192,371.	66		41,828,507.	
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	19,476,073.	67	16,678,848.	
	68 Temporarily restricted	2,709,482.	68	5,866,431.	
	69 Permanently restricted	8,811,902.	69	16,623,404.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	30,997,457.	73		39,168,683.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	72,189,828.	74		80,997,190.

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.

BAA

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

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

a	Total revenue, gains, and other support per audited financial statements	a	70,502,224.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$ -2,576,177.		
(2)	Donated services and use of facilities \$ 647,040.		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): <u>Cost of Sales</u> <u>821521</u> \$ 821,521.		
	Add amounts on lines (1) through (4)	b	-1,107,616.
c	Line a minus line b	c	71,609,840.
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	71,609,840.

a	Total expenses and losses per audited financial statements	a	0 62,329,971.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$ 647,040.		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): <u>Cost of Sales</u> <u>821521</u> \$ 821,521.		
	Add amounts on lines (1) through (4)	b	1,468,561.
c	Line a minus line b	c	60,861,410.
d	Amounts included on line 17, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	60,861,410.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; 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 and other allowances
Alan Stone 1310 Ritchie Court #7C, Chicago, IL 60610	Former President/CEO 37.	367,932.	5,545.	
Stephen McConnell 900 C. Street, S.E. Washington, DC	Interim President/CEO	53,768.		
See List of Board of Directors See attachment for addresses	See attachment			

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If 'Yes,' attach schedule — see instructions.

Part VI Other Information (See specific instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	X	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year? N/A		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?		X
80a	If 'Yes,' enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct or indirect political expenditures. See line 81 instructions	81a	
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82b	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.)	82b	647,040.
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
85c	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	Dues, assessments, and similar amounts from members	85c	
85d	Section 162(e) lobbying and political expenditures	85d	
85e	Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices	85e	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	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?	85h	N/A
86a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	
86b	Gross receipts, included on line 12, for public use of club facilities	86b	
87a	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	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	88	X
89a	501(c)(3) organizations. 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>		
89b	501(c)(3) and 501(c)(4) organizations. 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	89b	X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under Sections 4912, 4955, and 4958		0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90a	List the states with which a copy of this return is filed <u>See Attachment</u>		
90b	Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	90b	200
91	The books are in care of <u>Timothy Morgan</u> Telephone number <u>(312) 335-5768</u> Located at <u>919 N. Michigan Avenue, Chicago</u> IL ZIP + 4 <u>60611-1676</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		

Part VII Analysis of Income-Producing Activities (See 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	
93 Program service revenue:					
a Public Policy			06	73,981.	
b Education Conference			06	535,134.	
c Program Conferences			06	25,673.	
d Safe return registration fees				0.	613,738.
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	74,022.	
96 Dividends & interest from securities			14	2,291,404.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	1,034.	
101 Net income or (loss) from special events					-135,820.
102 Gross profit or (loss) from sales of inventory				0.	-19,576.
103 Other revenue: a					
b List royalties			15	370,304.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				3,371,552.	458,342.
105 Total (add line 104, columns (B), (D), and (E))					3,829,894.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
93d	Program Service Revenue - Safe Return Registration Fees
101	Net Income or (Loss) From Special Events
102	Gross Profit or Loss From Sale of Inventory

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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	N/A
	%				
	%				
	%				
	%				

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

Please Sign Here

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: Stephen McConnell Date: 11/12/02

Type or Print Name and Title: Stephen McConnell, Interim President & CEO

Paid Preparer's Use Only

Preparer's Signature: Ben [Signature] CPA Date: 11/8/02 Check if self-employed:

Firm's name (or yours if self-employed) and address, and ZIP + 4: Ernst and Young LLP
233 S. Wacker Drive
CHICAGO IL 60606

Preparer's SSN or PTIN (see General Instruction W): 34-6565596

EIN: 34-6565596 Phone no: _____

Schedule A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1)
Nonexempt Charitable Trust Supplementary Information – (See separate instructions.)**

Supplementary Information – (see separate instructions)

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

OMB No. 1545-0047

2001

Name of the Organization

Alzheimer's Disease and Related Disorders Association, Inc.

Employer Identification Number

13-3039601

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Stephen McConnell 900 C. Street, S.E. Washington, DC	VP of Public Policy & Pg Srvs 37.5	177,335.	28,708.	
Edward Truschke 2409 Sierra Heights Drive, Las Vegas, NV 89134	Former President 37.5	200,000.	38,545.	
Daniel Williams 17229 University Avenue	VP of Finance & Technology 37.5	185,000.	6,046.	
Ronald Champagne 777 N. Michigan Avenue, Chicago, IL 60611	VP of Development 37.5	170,769.	8,326.	
William Theis 726 Morningside Lake Forest, IL 60045	VP of Medical Science 37.5	151,774.	21,030.	
Total number of other employees paid over \$50,000	▶ 91			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Data Associates P.O. Box 267, Weston MA 02493-0001	Consultant	220,981.
Silkscreening by Will 10135 West Hampton Avenue, Milwaukee, WI 53225	Printers	170,339.
American Bar Association 740 15th St. NW 8th fl, Washington DC 20005	Legal	147,506.
Hinton Walker Associates C/O John Walker 7805 Stable Way, Potomac, MD 20854	Consultant	142,962.
Midwest Public Affairs Group 351 West Hubbard St. Ste, 310 Chicago, IL 60610	Consultant	138,466.
Total number of others receiving over \$50,000 for professional services	▶ 17	

BAA For Paperwork Reduction Act Notice, see the instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See instructions.)		Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ... ▶ \$ <u>730,040.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	X	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B and attach a statement giving a detailed description of the lobbying activities.			
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)			
a Sale, exchange, or leasing of property?	2a		X
b Lending of money or other extension of credit?	2b		X
c Furnishing of goods, services, or facilities?	2c		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X	
e Transfer of any part of its income or assets?	2e		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below.)	3		X
4 Do you have a section 403(b) annuity plan for your employees?	4	X	
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments.			

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

The organization is not a private foundation because it is (please check only **One** applicable box):

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

Provide the following information about the supported organizations. (See instructions.)	
(a) Name(s) of supported organization(s)	(b) Line number from above

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

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

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)			

34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered 'Yes' to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See 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		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	5,000.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	725,040.
38	Total lobbying expenditures (add lines 36 and 37)	38	730,040.
39	Other exempt purpose expenditures	39	45,642,099.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	46,372,139.
41	Lobbying nontaxable amount. Enter the amount from the following table –		
	If the amount on line 40 is – The lobbying nontaxable amount is –		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
41		41	1,000,000.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	250,000.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.
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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46 Lobbying ceiling amount (150% of line 45(e))					6,000,000.
47 Total lobbying expenditures	730,040.	698,115.	722,766.	610,212.	2,761,133.
48 Grassroots non-taxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
49 Grassroots ceiling amount (150% of line 48(e))					1,500,000.
50 Grassroots lobbying expenditures	5,000.	5,000.	5,000.	6,000.	21,000.

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

N/A

	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:		Amount
	Yes	No	
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 .)			

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

Form 990, Page 1, Line 7

Other Investment Income Statement

Other investment income (describe)

	0.
Total	0.

Form 990, Page 1, Part I, Line 9

Special Events and Activities Statement

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
New York Gala	2,120,153.	2,043,153.	77,000.	188,779.	-111,779.
Chicago Gala	879,286.	757,486.	121,800.	145,841.	-24,041.
Total	<u>2,999,439.</u>	<u>2,800,639.</u>	<u>198,800.</u>	<u>334,620.</u>	<u>-135,820.</u>

Form 990, Page 1, Part I, Line 10

Gross Sales of Inventory Statement

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
Sale of Educational Materials	801,945.	821,521.	-19,576.
Total	<u>801,945.</u>	<u>821,521.</u>	<u>-19,576.</u>

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part I, Line 8d
 Net gain on sale of assets other than inventory
 FEIN # 13-3039601
 Year ended June 30, 2002

	Unrestricted Mutual Funds	Restricted Mutual Funds	Endowment Mutual Funds	Treasury Notes	Stock Gifts	Fixed Asset Disposals	Total
Gross sales price	\$ -	\$ -	\$ -	\$ -	\$ 185,211	\$ 13,041	\$ 198,252
Cost	0	0	0	0	184,780	12,438	197,218
Basis for sale	0	0	0	0	184,780	12,438	\$ 197,218
Sales expenses	0	0	0	0	0	0	0
Gain/(Loss) on sale	\$ -	\$ -	\$ -	\$ -	\$ 431	\$ 603	\$ 1,034

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part I, Line 9
 Special events and activities
 FEIN # 13-3039601
 Year ended June 30, 2002

	(A) New York Gala	(B) Chicago Gala	Total
Gross Receipts	\$ 2,120,153	\$ 879,286	\$ 2,999,439
Less: Contributions	2,043,153	757,486	2,800,639
	-----	-----	-----
Gross Revenue	77,000	121,800	198,800
Less: Direct Expenses	188,779	145,841	334,620
	-----	-----	-----
	<u>\$ (111,779)</u>	<u>\$ (24,041)</u>	<u>\$ (135,820)</u>

Description of Events:

Two Rita Hayworth Galas are held on an annual basis; one in New York and one in Chicago. The value listed on the ticket (\$175 for New York and \$150 for Chicago) includes dinner and entertainment. The value of the ticket varies based on the size of the contribution the attendees wish to make.

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part I, Line 10 and Form 990, Part VII, Line 102
Gross profit or (loss) from sales of inventory
FEIN # 13-3039601
Year ended June 30, 2002

Sale of Educational Materials

Gross sales		\$	801,945
Less:			
Beginning inventory	620,089		
Cost of materials purchased during the year	663,417		
Ending inventory	(461,985)		
Cost of goods sold			(821,521)
Gross profit		\$	<u>(19,576)</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part I, Line 20
Other changes in net assets or fund balances
FEIN # 13-3039601
Year ended June 30, 2002

Unrealized gains on investments carried at market value	\$ (2,576,177)

Total - Other changes in net assets or fund balances	<u>\$ (2,576,177)</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part II, Line 22
Grants and allocations
FEIN # 13-3039601
Year ended June 30, 2002

Summary of Grants

Research	\$ 17,516,426
Public Awareness and Education	33,123
Chapter Services	1,808,402
Public Policy	198,138
Patient and Family Services	1,270,581

	<u>\$ 20,826,670</u>

*** See attached lists for Part III for detail.

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part II, Line 42
Depreciation schedule
FEIN # 13-3039601
Year ended June 30, 2002

<u>Fixed Asset Class</u>	<u>Method</u>	<u>Asset Life (Years)</u>	<u>FY02 Depreciation</u>
Leasehold Improvements	Straight Line	Lease period	\$ 230,550
Equipment	Straight Line	5	627,549
Furniture & Fixtures	Straight Line	5	137,782
Library Equipment	Straight Line	5	0
Software	Straight Line	3	242,200
Library Books	Straight Line	5	0

			<u><u>\$ 1,238,081</u></u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Statement of program service accomplishments
FEIN # 13-3039601
Year ended June 30, 2002

OUR MISSION (Primary Exempt Purpose):

To provide leadership to eliminate Alzheimer's disease through the advancement of research while enhancing care and support services for individuals and their families. The Association's mission is carried out by:

- investigating the causes, preventions, treatments and cures for Alzheimer's disease and related disorders;
- offering programs and services to individuals and families affected by the disease;
- maintaining a nationwide network of chapters to provide family support in local communities;
- educating and informing public and public care professionals;
- and advocating for research funding and legislative support for families.

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part III
 Research Grants
 FEIN # 13-3039601
 Year ended June 30, 2002

Zenith Grants

Expense portion of grants that were paid, but approved in prior fiscal years

New York University School of Medicine	6,797
New York University School of Medicine	5,213
Columbia University	5,213
Mount Sinai School of Medicine	6,797

Grants approved, payable over 2 years, 1st year will be paid in FY2002

Johns Hopkins	244,457
University of Tel-Aviv	220,492
University of Chicago	244,396
UCLA	244,080
Baylor College of Medicine	244,457

Tacrine Grants

Expense portion of grants that were paid, but approved in prior fiscal years

Carleton University	3,116
Cold Spring Harbor	6,093
Northeastern Ohio Universities	6,049
NYSPI	6,597
Rhode Island Hospital	6,092
University of California	6,093
University of Vermont	6,093

Temple Foundation Grants

Expense portion of grants that were paid, but approved in prior fiscal years

Columbia University	8,816
Nathan S. Kline Institute	9,034
The University of Chicago	4,530
Mayo Clinic	8,816
University of Washington	10,359
Boston University	9,098
Mount Sinai School of Medicine	9,101
Boston College	9,051

Target 2000 Grants

Expense portion of grants that were paid, but approved in prior fiscal years

Research Foundation	2,175
Johns Hopkins University	6,093
Ohio State University	6,093

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part III
 Research Grants
 FEIN # 13-3039601
 Year ended June 30, 2002

Vanderbilt University	4,349
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Other Research Grants

Expense portion of grants that were paid, but approved in prior fiscal years

UCLA School of Medicine	6,564
Emory University	2,085
Brooklyn College	3,392
Brooklyn College	6,596
Johns Hopkins University	3,109
Mayo Clinic Rochester	4,350
Northwestern University	4,428
The Regents of the University of CA	4,347
University of Michigan	6,415
University of Penn	32,076
University of Alabama	2,719
Gotoborg University	4,229
Case Western Reserve University	6,294
Indiana University	6,093
MCG Research Institute	6,542
Research Foundation of CUNY	4,292
Brigham & Women's Hospital	10,035
Loyola University of Chicago	6,093
Mayo Clinic Arizona	6,551
Mayo Clinic Jacksonville	6,093
University of Washington	27,158
University of Massachusetts	1,702
University of Melbourne	2,781
University of Oxford	2,175
Agent Comptable Universities	2,175
Baylor College of Medicine	2,691
Mayo Clinic Jacksonville	2,719
Research Institute - Hebrew Home	6,093
Darmouth College	3,262
University of Alabama	4,350
Baylor College of Medicine	4,306
Beth Israel Deaconess Medical	4,349
Edith Nourse Roger VA Medical Center	5,351
Emory University	4,350
Johns Hopkins University	6,055
Kennedy Krieger Institute	6,092
McGill University	4,282
Northwestern University	4,350
NY State for Basic Medicine	6,093
Research Institute - Hebrew Home	4,336
Sun Health Research Institute	4,350
Sun Health Research Institute	6,032
Sun Health Research Institute	4,287

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part III
 Research Grants
 FEIN # 13-3039601
 Year ended June 30, 2002

Boston University	4,349
Boston University	4,350
University of Georgia	4,350
The University of Tennessee	6,087
Washington University	1,838
The Weizmann Institute	4,309
Iowa State University	3,378
Rockefeller University	6,093
Stanford University	2,372
Loyola University of Chicago	6,093
University of North Texas	2,761
Imperial College	4,096
Polisher Research Institute	4,256
University of Texas	2,687
Duke University	6,093
Albert Einstein Healthcare Network	6,093
Mount Sinai School of Medicine	3,128
University of Minnesota	6,088
Sun Health Research Institute	4,350
Washington University	6,093
The Toronto Hospital	5,484
Flanders Interuniversity	5,437
Foundation for Long Term Care	5,320
University of Texas	4,037
Duke University	4,296
Erasmus University-Rotterdam	4,513
Evanston Northwestern Research	4,189
The Regents of the University	4,309
The Regents of the University	6,093
Thomas Jefferson University	5,336
The University of Chicago	3,396
University of Florida	2,719
University of North Carolina	5,308
University of Virginia	6,093
Veterans Medical Research	2,175
The General Hospital	5,500
Florida Gulf Coast University	3,262
University of Pittsburgh	2,756
University of Connecticut	4,803
Regents of the University	4,172
Mount Sinai School of Medicine	6,202
The General Hospital	3,128
The General Hospital	6,093
Indiana University	4,306
Oregon Health & Science	5,980
The Regent of the University	3,262
Tufts College	4,187

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part III
 Research Grants
 FEIN # 13-3039601
 Year ended June 30, 2002

University of Arkansas	7,297
Regents of the University	4,152
University of Kentucky	4,322
Institute Basic Research	6,093
The University of Chicago	6,088
University of Alabama	6,045
University of Southern California	6,093
The General Hospital	11,321
University of Washington	4,350
University of California	6,093
The University of Chicago	2,425
Brigham & Women's Hospital	3,128
The University of Chicago	6,093
Case Western Reserve University	4,341
University of California	4,298
The J. David Gladstone	6,093
University of Washington	1,128
Children's Hospital Corp	4,350
The General Hospital	6,093
Research Foundation	4,574
University of Maryland	2,714
The General Hospital	5,437
University of Florida	2,706
Yale University	2,766
Mount Sinai School of Medicine	6,037
Erasmus University-Rotterdam	6,093

Grants approved, payable over 2 or 3 years, 1st year paid in FY2002

Columbia University	231,900
Columbia University	230,826
Northwestern U	229,506
Harvard U	229,308
Duke University	229,515
New York University	229,515
Boston University	229,515
CWRU	229,515
University of Missouri	98,395
Texas A&M University	225,273
Northwestern U	228,578
U of Chicago	229,747
Harvard, BWH	229,408
Southern Illinois University	229,515

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part III
 Research Grants
 FEIN # 13-3039601
 Year ended June 30, 2002

NKI	229,515
Texas Tech University	90,725
University of California	229,515
University of Basel	227,725
Washington University	99,999
CWRU	229,515
University of California	229,515
University of South Florida	229,018
University of Pennsylvania	229,552
U of Kansas	229,429
Boston University	229,515
U of Kentucky	188,687
U of South Florida	217,472
U of Minnesota	230,736
U of Massachusetts	228,831
State U of New York	229,429
Weill MC of Cornell U	229,515
U of Pennsylvania	227,419
NKI	232,054
Baylor College of Medicine	226,206
UCSD	229,515
Institute of Living	230,166
Duke University	230,671
Columbia University	229,153
Sun Health Research Inst.	229,492
Massachusetts General Hospital	229,515
New York University	229,515
Emory University	229,515
CWRU	229,404
Brigham & Women's Hospital	229,515
University of South Florida	228,539
Arizona State University	229,465
University of Chicago	229,515
Northeastern University	194,467
Columbia University	228,506
Northwestern University	228,798
University of Chicago	229,310
Massachusetts General Hospital	229,515
University of Genova	229,515
University of California, Irvine	229,512
CWRU	229,506
University of Illinois	228,511
Leuven University	478,156
U of Washington	97,739
Harvard U, BWH	97,782
Boston U-VAMC	97,783
Tufts University	97,783

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Research Grants
FEIN # 13-3039601
Year ended June 30, 2002

U of Chicago	97,861
UCLA	97,783
Duke University	96,209
University of Alberta	97,783
U of Arkansas for Medical Sciences	98,205
University of Michigan	97,695
Virginia Commonwealth University	98,149
Northwestern University	91,435
Harvard U, BWH	97,783
Mayo Clinic	97,781
Boston University	97,102
U of Arkansas for Medical Sciences	98,198
Case Western Reserve University	97,769
Weill Medical College of Cornell U	96,805
California State University	97,942
Mayo Clinic	97,783
New York University	226,671
Johns Hopkins University School of Medicine	226,671
University of Chicago	97,170
New York University	227,878

Additional Grants paid

Grantee/Payee unknown	13,464
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\$ 17,516,426

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Public Awareness & Education Grants
FEIN # 13-3039601
Year ended June 30, 2002

Chapter grant - Education Conference	\$	-
Research grant - Education Conference		0
Chapter grants - Education programs		33,123

	\$	<u>33,123</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Chapter Services Grants
FEIN # 13-3039601
Year ended June 30, 2002

Chapter gift annuity grants	\$ -
Chapter support grants	1,808,402

	<u>\$ 1,808,402</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Public Policy Grants
FEIN # 13-3039601
Year ended June 30, 2002

National Citizens Coalition	\$	-
Technical Assistance Grants		25,000
Long Term Care Education Fund		0
Public Policy Forum		9,711
Various Chapters		150,177
Other Association Grants		13,250

	\$	<u>198,138</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part III
Patient and Family Services Grants
FEIN # 13-3039601
Year ended June 30, 2002

Chapter Grants - approved and paid during FY2002	\$ 38,063
Safe Return Grants	860,818
Other Grants - approved and paid during FY2002	371,700
	<u>\$ 1,270,581</u>

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part IV, Line 54
Investments - securities
FEIN # 13-3039601
Year ended June 30, 2002

Investments - Recorded at end-of-year market value

<u>Description</u>	<u>Balance</u> <u>06/30/02</u>
Bond funds	\$ 8,779,595
Stock funds	15,869,477
Commercial paper	25,070,416
Treasury securities	0
Accrued income	77,123

	<u>\$ 49,796,611</u>

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part IV, Lines 57a & 57b
 Land, buildings, and equipment: basis
 Less: accumulated depreciation
 FEIN # 13-3039601
 Year ended June 30, 2002

Asset Description	Balance 06/30/01	Additions & (Write-offs)	Balance 06/30/02
Leasehold Improvements	\$ 2,068,933	\$ (28,063)	\$ 2,040,870
Facility Study	\$ 6,496	\$ (6,496)	-
Equipment	2,584,615	499,302	3,083,917
Furniture & Fixtures	1,626,465	106,442	1,732,907
Library Equipment	85,849	0	85,849
Software	1,014,277	437,171	1,451,448
Library Books	75,947	0	75,947
Total Fixed Assets	\$ 7,462,582	\$ 1,008,356	\$ 8,470,938
Accumulated Depreciation	(4,506,667)	(1,227,556)	(5,734,223)
	\$ 2,955,915	\$ (219,200)	\$ 2,736,715

Alzheimer's Disease and Related Disorders Association, Inc.
 Form 990, Part V
 Key Employee
 FEIN # 13-3039601
 Year ended June 30, 2002

(a) Name and address	(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
Alan Stone 1310 Ritchie Court #7C Chicago, IL 60610	Former President 37.5 hours per week	367,932	5,545	0
Stephen McConnell 900 C Street, S.E. Washington, DC	Interim President/CEO 37.5 hours per week	53,768	0	0

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Edited 5.02

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part VI, Line 77
Changes made in organizing or governing documents
FEIN # 13-3039601
Year ended June 30, 2002

I certify that the attached by-laws are complete and accurate copies of the original documents.



Signature

President and CEO

Title

**BY-LAWS OF
ALZHEIMER'S DISEASE AND RELATED
DISORDERS ASSOCIATION, INC.**

As Amended January 13, 2001

**919 N. Michigan Ave., Suite 1100
Chicago, IL 60611**

**BY-LAWS OF
ALZHEIMER'S DISEASE AND RELATED
DISORDERS ASSOCIATION, INC.**

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BY-LAWS
OF THE
ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION, INC.

ARTICLE I

Name and Offices of the Association

SECTION 1. Name.

The name of the corporation is Alzheimer's Disease and Related Disorders Association, Inc., also conducting business as Alzheimer's Association (the "Association").

SECTION 2. Offices.

The principal place of business of the Association shall be at an office located in Cook County, Illinois, or such other place as the Board of Directors shall determine. The Association may have such other offices from time to time as the Board of Directors may determine.

SECTION 3. Registered Office and Registered Agent.

The Association shall have and continuously maintain in the states of Delaware and Illinois, a registered office and a registered agent as required by the laws of Delaware and Illinois. The address of each registered office and the identity of each registered agent may be changed from time to time by the Board of Directors.

ARTICLE II

Purposes

The Association is a national organization, composed of member Chapters. The purposes of the Association include:

- A. To encourage and support research into causes, improved diagnosis, therapy, cures for and prevention of Alzheimer's disease and related disorders.
- B. To educate and inform lay and professional people and interested agencies and groups about Alzheimer's Disease and related disorders.

- C. To publicize the medical, social, psychological and financial needs of the patients, their families and caregivers and to advocate for public education and support to ameliorate their problems.
- D. To provide guidance and support for the patients, their families and caregivers primarily through member Chapters and to foster and encourage development of Chapters to improve their effectiveness.
- E. To advocate with public officials and with health and long term care providers to advance the interests of persons with Alzheimer's disease, their families, and caregivers, and to promote public and private programs that provide appropriate, affordable and high quality health, long term care and social services.

ARTICLE III

Members

SECTION 1. Voting Members.

The voting Members of the Association shall include the Directors.

SECTION 2. Non-Voting Members.

The non-voting members of the Association shall be the Chapters and any other persons or entities that the Board of Directors from time to time may elect upon such terms and conditions as the Board of Directors may deem appropriate.

ARTICLE IV

Council Of Former Chairs

SECTION 1. Members.

Members of the Council of Former Chairs shall be the past Chairs of the Board of Directors of the Association and each shall have lifetime tenure on the Council.

SECTION 2. Functions.

A. Members.

Members shall have no formal meetings or duties, and may be requested individually or as a whole, by the current Chair of the Board of Directors to provide specific guidance on any issue impacting the mission of the Association.

B. Offices.

There shall be no officers of the Council.

C. Voting Privileges.

Members may attend all meetings of the Board of Directors but shall not be entitled to vote. Separately, members shall be eligible for appointment or election to serve on all Committees of the Board of Directors and in that capacity shall be entitled to vote except on the Executive Committee and the Governance & Nominating Committee.

ARTICLE V

National Leadership Council

SECTION 1. Members.

Members of the National Leadership Council shall be persons of influence and stature, the benefits of whose advice and assistance is sought by the Association and who accept an invitation by the Board of Directors to serve on the Council.

SECTION 2. Functions.

Members of the Council shall be informed of their obligations and privileges when invited to serve on the Council. There shall be no officers of the Council and its members shall have no formal meetings or duties, but may be requested by the Board of Directors or the staff of the Association, personally, by telephone, by letter, by facsimile transmission, E-mail or other similar electronic means of communication to assist in forwarding the program of the Association, to develop Chapter leadership, to give professional guidance to the staff of the Association commensurate with the individual's training and experience and to serve as speakers to appropriate audiences. Members of the Council are eligible to serve on Committees of the Board of Directors. Tenure on the Council shall be for three years from the meeting at which the member is elected, subject to the right of the Board of Directors at any time to remove any member by written notice to such member and the right of any member to resign at any time by written notice to the Board of Directors.

ARTICLE VI

Directors

SECTION 1. Powers.

The business and the property of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such acts and things as are not reserved to the Members by statute, the Certificate of Incorporation, by the Statement of Relationship, or by these Bylaws

SECTION 2. Number, Terms and Qualifications of Directors.

A. Directors.

(i) Number. The number of Directors, exclusive of the Directors referred to in Sections 2B, 2C, 2D and 2E of this Article VI, shall be such number not exceeding sixty-four as shall be determined from time to time by resolution of the Board of Directors.

(ii) Qualifications. The qualifications of Directors shall be as determined from time to time by resolution of the Board of Directors, provided, however, at least one-third of the Directors (exclusive of the Directors referred to in Sections 2B, 2C, 2D and 2E of this Article VI) shall be persons with Chapter Experience (as defined in Article XVIII) and there shall be at least one Director having Chapter Experience from each of the ten Regions (as defined in Article XVIII). A Director shall not be deemed to be from a Region unless his or her principal place of residence is in the Region.

(iii) Method of Election. The Board of Directors may elect Directors by a vote at any meeting of the Board of Directors.

(iv) Terms. Except for the terms of office of Directors elected to fill vacancies (see Section 9 of this Article VI), the term of office to which each Director referred to in Section 2A (as distinguished from those referred to in Sections 2B, 2C, 2D and 2E) of this Article VI shall be elected and shall begin immediately after the meeting of the Board of Directors at which such election occurs and shall end, if such meeting is an Annual Meeting, immediately after the second Annual Meeting following such meeting, or if such meeting is not an Annual Meeting, immediately after the third Annual Meeting following such meeting.

B. Founding President/Honorary Chair Director.

In recognition of his central role in the creation and development of the Association, Jerome H. Stone shall be designated, upon election, as Founding President and Honorary Chair with a lifetime membership to the Board of Directors with all rights and privileges thereof.

C. Honorary Director/Honorary Vice Chair.

In recognition of her central role in the development of the Association, Yasmin Aga Khan shall be designated, upon election, an Honorary Director, and for as long as she shall serve as an Honorary Director, shall be accorded the title of Honorary Vice Chair.

D. Honorary Directors.

The Board of Directors may from time to time elect as Honorary Directors such persons as they shall deem appropriate. Honorary Directors may attend all meetings of the Board of Directors but shall not be entitled to vote. The term of office of each Honorary Director shall commence with the election of such Honorary Director. If such Honorary Director is elected at an annual meeting, the term shall expire immediately after the second annual meeting following election. If such Honorary Director is elected other than at an annual meeting, the term shall expire immediately after the third annual meeting following such election.

E. Emeritus Directors.

The Board of Directors may from time to time elect as a Director Emeritus a person who has served with distinction as a Director and who is not eligible for re-election as a Director. Each Director Emeritus shall have lifetime tenure, may attend all meetings of the Board of Directors but shall not be entitled to vote.

SECTION 3. Limitations.

A. Directors Generally.

No Director elected pursuant to Section 2A of this Article VI shall serve as such a Director more than four consecutive terms exclusive of any interim term to which such Director may be appointed to fill a vacancy. A Director who has served four consecutive terms shall be eligible for reelection one year after the expiration of such Director's final consecutive term.

B. Chair and Senior Vice Chair.

The provisions of Section 3A of this Article VI notwithstanding, a Director who is Chair of the Association may continue to serve as a Director for so long as he or she shall continue as Chair, and a Director who is Senior Vice Chair of the Association may continue to serve as a Director for so long as he or she shall continue as Senior Vice Chair or as Chair. Furthermore, the Chair may continue to serve as a Director for a period of two years after the expiration of his or her term as Chair.

SECTION 4. Meetings.

A. Annual Meeting. The Board of Directors shall hold its Annual Meeting at such time and place as the Board of Directors may determine by resolution.

B. Regular Meetings. Regular meetings of the Board of Directors shall be held at least twice a year, at such time and place as may be determined by the Chair, with the advice and consent of the Board of Directors. The annual meeting of the Board of Directors may be a regular meeting.

C. Special Meetings. Special meetings of the Board of Directors may be called by the Chair or upon written request to the Secretary signed by at least one-fourth of the currently serving Directors.

SECTION 5. Notice of Meetings.

A. Notice. Each Director shall be given written notice of each meeting of the Board of Directors at least fourteen days prior to such meeting.

B. Content of Notice. Notices of meetings shall state the time and place and, for a special meeting, the agenda to be considered at the meeting.

C. Manner of Notice. Notices shall be deemed to have been given by mail when deposited in the United States mail, by electronic mail or facsimile at the time of sending, and by messenger at the time of delivery by the messenger. Notices by mail, electronic mail, facsimile or messenger shall be sent to each Director at the address designated by him or her for that purpose, or, if none has been so designated, at his or her last known residence or business address.

D. Waiver of Notice. Notice of a meeting of the Board of Directors need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

SECTION 6. Quorum.

One-third of the Directors currently elected and serving shall be a quorum for each meeting of the Board of Directors.

SECTION 7. Removal.

Any Director may be removed by the Board of Directors with or without cause upon the vote of seventy-five percent of the Directors present and voting at any regular or special meeting of the Board.

SECTION 8. Compensation.

No Director shall receive, directly or indirectly, any salary, compensation, or emolument from the Association.

SECTION 9. Vacancies.

Any vacancy in the Board of Directors resulting from the death, resignation or removal of a Director prior to the end of the regular term of such Director may be filled for the balance of such term by vote of the Board of Directors.

SECTION 10. Participation in Meetings by Conference Telephone.

Any one or more members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this By-Law shall constitute presence in person at such meeting.

SECTION 11. Informal Action.

Any action required to be taken at a meeting of the Board of Directors or any other action which may be taken at a meeting of the Board of Directors may be taken without a meeting if the consent sent in writing or by electronic mail with signature, setting forth the action so taken, shall be signed by all members of the Board of Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the Board of Directors.

ARTICLE VII

Officers

SECTION 1. Officers.

The officers of the Association who shall be Directors of the Association shall be the Chair, one or more Senior Vice Chairs, one or more Vice Chairs, Secretary, and Treasurer. Officers of the Association who shall not be Directors shall be the President/Chief Executive Officer, one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. No officer not specified in the first sentence shall be a member of the Board of Directors.

SECTION 2. Election and Term of Office.

The officers of the Association who are Directors shall be elected for a term of one year by the Board of Directors at its annual meeting. If the election of such officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies in such offices may be filled at any meeting of the Board of Directors. Each such officer shall hold office until the next annual meeting of the Board of Directors and until his or her successor shall have been duly elected and shall have qualified. Terms of such office for

such officers shall begin immediately following the annual meeting. The officers of the Association who shall not be Directors shall be appointed by resolution of the Board of Directors and shall serve at the pleasure of the Board of Directors.

SECTION 3. Limitations.

The Chair may serve a maximum of three one-year terms, except that, under extraordinary circumstances and as approved by the Board of Directors upon the vote of seventy-five percent of the Directors present and voting at any regular or special meeting of the Board, the Chair may serve not more than one additional one-year term.

SECTION 4. Removal.

Any officer or agent elected or appointed by the Board of Directors or by the President and Chief Executive Officer may be removed by majority vote of the currently serving members of the Board of Directors whenever in the judgment thereof the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer or agent so removed.

SECTION 5. Vacancies.

Any vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

SECTION 6. Chair.

The Chair of the Board of Directors shall, in general, supervise and control all of the business and affairs of the Association. He or she shall preside at all meetings of the Members and the Board of Directors. He or she may execute with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, contracts, or other instruments which the Board of Directors may have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the Association. The Chair, in general, shall perform all duties incident to the office of Chair of the Board and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 7. Senior Vice Chair.

In the absence of the Chair, or in the event of the inability of the Chair to act, the Senior Vice Chair (or if there shall be more than one Senior Vice Chair, the Senior Vice Chair designated by the Board of Directors, the Executive Committee or the Chair, any designation by the Board of Directors to have priority over any designation by the Executive Committee or the Chair and any designation by the Executive Committee to have priority over any designation by the Chair) shall perform the duties of the Chair, and when so acting, shall have all of the powers and, shall be subject to all of the restrictions upon the Chair. The Senior Vice Chair (or if there shall be more than one Senior Vice Chair, then the Senior Vice Chairs) shall,

in addition, perform such other duties as may from time to time be assigned to him or her or them by the Chair or by the Board of Directors.

SECTION 8. Vice Chair.

In the absence or inability to act of the Chair and the Senior Vice Chair, or if there should be more than one Senior Vice Chair, then in the absence or inability to act of all of the Senior Vice Chairs, the Vice Chair (or if there shall be more than one Vice Chair, the Vice Chair designated by the Board of Directors, the Executive Committee or the Chair, any designation by the Board of Directors to have priority over any designation by the Executive Committee or the Chair and any designation by the Executive Committee to have priority over any designation by the Chair) shall perform all of the duties of the Chair, and when so acting, shall have all of the powers of and shall be subject to all of the restrictions upon the Chair. Any Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair or the Board of Directors.

SECTION 9. Secretary.

The Secretary shall keep the minutes of the meetings of Members and the Board of Directors in one or more books provided for that purpose. He or she shall be the custodian of the corporate records and, if required by law, shall see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-laws. The Secretary shall see that all notices are duly given in accordance with the provisions of these By-laws or as required by law, keep a register of the post office address of each Member and Director which shall be furnished to the Secretary by such Member or Director, be responsible for all correspondence of the Board of Directors and, in general, perform all duties incident to the office of Secretary and such other duties as may be from time to time assigned to him or her by the Chair or the Board of Directors.

SECTION 10. Treasurer.

The Treasurer shall have charge and custody of, and shall be responsible for, all funds and securities of the Association, and shall be responsible for receiving and giving receipts for monies due and payable to the Association from any source whatsoever, and for receiving and depositing all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these By-laws. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and having such surety or sureties as the Board of Directors shall determine. The Treasurer, in general, shall perform all the duties incident to the office of Treasurer and such other duties may as from time to time be assigned to him or her by the Chair or by the Board of Directors.

SECTION 11. President/Chief Executive Officer.

The Board of Directors by resolution may appoint a President/Chief Executive Officer of the Association as the Board shall deem appropriate. The President/Chief Executive Officer shall not be a member of the Board of Directors. The President/Chief Executive Officer shall, subject to the control of the Chair and the Board of Directors, supervise and control the day-to-day affairs of the Association. The President/Chief Executive Officer shall perform all duties incident to this office and any other duties that may be required by these By-laws or prescribed by the Chair or the Board of Directors.

SECTION 12. Executive Vice Presidents; Senior Vice Presidents; Vice Presidents.

The Board of Directors by resolution may appoint one or more Executive Vice Presidents and other officers as the Board of Directors shall deem appropriate. The Executive Vice Presidents and other officers so appointed may hold such titles, including without limitation Executive Vice President/Chief Operating Officer and Executive Vice President/Chief Program Officer, and shall have such ranking, as the Board may designate. In addition to officers so appointed by the Board, the President/Chief Executive Officer may from time to time appoint one or more Senior Vice Presidents, Vice Presidents and Assistant Vice Presidents having such titles as the President may designate; provided, however, no such title shall imply a ranking equivalent to Executive Vice President or any other ranking higher than Senior Vice President. No officer not specified in the first sentence of Section 1 of this Article shall be a member of the Board of Directors. All officers appointed pursuant to this section, as administrative officers of the Association, shall assist the President/Chief Executive Officer and shall, subject to the control of the Chair, the Board of Directors, and the President/Chief Executive Officer, perform all duties incident to this office and any other duties that may be required by these By-Laws or prescribed by the Chair, the Board of Directors or the President/Chief Executive Officer. In the absence of the President/Chief Executive Officer, or in the event of his or her inability to act, the Executive Vice Presidents or other officers appointed by the Board, in the order designated by the Board, or, in the absence of such designation, in the order designated by the Chair, or, in the absence of any such designation, in the order designated, by the President, shall perform all of the duties of President/Chief Executive Officer, and when so acting, shall have all of the powers of and shall be subject to all of the restrictions upon the President/Chief Executive Officer.

SECTION 13. Assistant Secretaries and Assistant Treasurers.

The Board of Directors by resolution may appoint such Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem appropriate. If required by the Board of Directors, each Assistant Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and having such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers in general shall perform such duties as shall be assigned to them by the Secretary or the Treasurer or by the Chair, the Board of Directors or the President/Chief Executive Officer, as applicable.

ARTICLE VIII

Committees

SECTION 1. Committees of Directors.

The Board of Directors shall have the following standing committees: Executive, Finance, Chapter, Program, Public Policy, Marketing and Communications, Development, Governance and Nominating, Human Resources, Planning, and Diversity and Inclusion.

SECTION 2. Executive Committee.

The Executive Committee shall supervise the affairs of the Association and regulate its internal economy, approve expenditures and commitments according to policies prescribed by the Board of Directors, act for and carry out the established policies of the Association as defined by the Board of Directors, including the Policies and Procedures, report to the Board of Directors at each meeting of the Board of Directors and have such other additional powers as may be by law or resolution of the Board of Directors provided. The Executive Committee shall have and may exercise all authority of the Board of Directors in the management of the Association, subject to the limitations contained in the Delaware Corporation Law. At each of its annual meetings, the Board of Directors by duly adopted resolution shall appoint an Executive Committee consisting of such number of Directors and members of the Council of Former Chairs as the Board of Directors shall from time to time determine and including the Officers of the Association who are Directors. The Chair of the Board of Directors shall be the chair of the Executive Committee. The Executive Committee may hold regular meetings monthly or as it may otherwise determine, at such place and at such times and upon such notice as it may determine. Special meetings of the Executive Committee may be called at any time by the chair or by any three of its members, by notice delivered personally or by mail, telephone, electronic mail or facsimile at least seven days prior to the meeting. A majority of the currently serving members of the Executive Committee shall constitute a quorum for all purposes.

SECTION 3. Finance Committee.

The Finance Committee shall consist of at least three Directors and shall include the Treasurer. The Finance Committee shall recommend an auditor and have an annual audit prepared by an independent firm of certified public accountants, and, after receiving such report of such audit, prepare a report thereof for the Executive Committee and Board of Directors. The Finance Committee also shall prepare a projected budget for each fiscal year to be presented to the Board of Directors for approval.

SECTION 4. Chapter Committee.

The Chapter Committee shall provide assistance to new groups to prepare them for membership in the Association. The Chapter Committee shall serve also as a resource for new membership and existing groups for developing Chapter activities and shall consider applications for membership in the Association in accordance with eligibility criteria and policies adopted by the Board of Directors.

SECTION 5. Program Committee.

The Program Committee shall build the Association's leadership position as the resource for educational information on Alzheimer's Disease and shall provide assistance and guidance to the Association on the issues of service to patients and families. The Program Committee shall work to stimulate the development of appropriate service programs in the Chapter network, and the nursing home industry and provider community, as well as work to advance research in the area of patient care techniques and family support services such as respite care.

SECTION 6. Public Policy Committee.

The Public Policy Committee shall work for improved public policy and needed legislation for patients and families affected by Alzheimer's Disease and related disorders. The Public Policy Committee shall identify, develop, analyze and present national and state public policy and programs on behalf of the Association and is responsible for federal and state advocacy on issues including, but not limited to, research, long term care financing, patient and family services, health professional education, caregiver training, ethics and legal issues. The Public Policy Committee may also establish liaisons and broaden the Association's base of support among organizations sharing common public policy objectives.

SECTION 7. Marketing and Communications Committee.

The Marketing and Communications Committee shall oversee the Association's efforts to inform, communicate, position and promote the Association's goals, perspectives, products, programs and services to its audiences. This shall include activities for information sharing and communication throughout every part of the Association.

SECTION 8. Development Committee.

The Development Committee shall serve to coordinate fund raising efforts of the Association.

SECTION 9. Governance and Nominating Committee.

At each of its annual meetings, the Board of Directors by duly adopted resolution shall appoint a Governance and Nominating Committee consisting of not less than nine nor more than fifteen individuals currently serving either as a Director or as a Member of the Council of Former Chairs. At least one-third of the Governance and Nominating Committee shall be Directors having Chapter Experience. The Governance and Nominating Committee shall assist the Board in ensuring the successful governance of the Association through Board assessment, recruitment, nominations, orientation and development. The Governance and Nominating Committee shall nominate candidates for Directors, officers and members of the Executive Committee. The Governance and Nominating Committee may nominate candidates for Director Emeritus, Honorary Director and the National Leadership Council and present to the Board for approval the candidates for MSAC membership.

SECTION 10. Human Resources Committee.

The Human Resources Committee shall oversee and monitor the process and programs by which Association employees are recognized and rewarded within the organization. The Human Resources Committee shall review and approve the policies and procedures regarding compensation, benefits, performance measurements, training and development initiatives, and other related processes and programs.

SECTION 11. Planning Committee.

The Planning Committee shall identify and prioritize future needs and directions of the Association by maintaining an ongoing strategic planning process and by identifying future trends and opportunities and by positioning the Association to develop, maintain and enhance a leadership role.

SECTION 12. Diversity and Inclusion Committee

The Diversity and Inclusion Committee shall work to enhance the Association's capabilities to serve multicultural populations and to increase representation of diverse populations who use the Association's services and products, and who serve as volunteers and staff of the Association.

SECTION 13. Special Committees.

Special committees may be designated by resolution adopted by a majority of the Directors present at any meeting.

SECTION 14. Committee Members.

Except as provided in Sections 2 and 9 of this Article VIII, the Chair of the Board of Directors shall appoint all committee members in consultation with the committee chair. All members of the Executive Committee and the Governance and Nominating Committee shall be Directors, and the membership of all other committees shall include at least two Directors. The Chair shall be a member of the Executive Committee. The Treasurer shall be a member of the Finance Committee. Each member shall continue as a member until the next annual meeting of the Board of Directors of the Association and until his or her successor is appointed and shall qualify, unless the committee shall be sooner terminated, or such member shall be removed from such committee or such member shall resign or cease to qualify as a member of the committee.

SECTION 15. Committee Chair.

One member of each committee, except the Executive Committee, shall be appointed chair of such committee by the Chair of the Board of Directors. The Chair of the Board of Directors shall be the chair of the Executive Committee.

SECTION 16. Vacancies.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 17. Quorum.

One-third of the whole committee shall constitute a quorum and the act of a majority of the members of the committee present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 18. Removal.

Any committee member appointed by the Board of Directors may be removed at any time by action of the Board of Directors. Any committee member appointed by the Chair of the Board of Directors may be removed at any time by the Chair of the Board of Directors.

SECTION 19. Rules.

Each committee may adopt rules for its own governance not inconsistent with these By-laws or with rules adopted by the Board of Directors.

ARTICLE IX

Chapters

SECTION 1. Purpose.

The Chapters of the Association are non-voting members of the Association and shall be the principal local community contacts of the Association, and shall be charged with carrying out the purposes of the Association within the territory of the Chapter.

SECTION 2. Formation.

A. Any group of twenty-five or more persons may apply for membership as a chapter by following the Policies and Procedures of the Association (as defined in Article XVIII), as in effect from time to time and by demonstrating to the satisfaction of the Board of Directors the willingness and ability of the applicant to abide by the Policies and Procedures and the Statement of Relationship, and to meet the Chapter Standards established by the Board of Directors.

B. Upon proper application and the showing required, the applicant shall become a Chapter upon (i) vote of two-thirds of the Directors present for such vote by the Board of Directors, and (ii) the execution and delivery by such Chapter and the Association of a Statement of Relationship (as defined in Article XVIII).

SECTION 3. Chapter Standards.

A. The Board of Directors of the Association, by resolution of the Board of Directors, may, from time to time, establish chapter standards of operation, service and support as deemed by the Board of Directors to be in the best interests of the Association.

B. The establishment of such chapter standards by the Board may occur only after notice of not less than 30 days to all Chapters and an opportunity for Chapters to be heard on any proposed Chapter Standards.

SECTION 4. Chapter Records.

A. Each Chapter shall keep correct and complete books and records of account and minutes of the proceedings of its members, board of directors and committees, and shall keep at the registered or principal office a record giving the names and addresses of the members of the Chapter entitled to vote. All books, records and minutes or copies thereof, of the Chapter will be provided to the duly authorized representatives of the Association upon request.

B. Each Chapter shall prepare and file in a complete and timely fashion all reports required by law to be prepared and filed by such Chapter, together with such additional reports as may be required by the Policies and Procedures of the Association from time to time in effect.

C. After the end of its fiscal year, each Chapter shall furnish to the Association financial statements in accordance with the Policies and Procedures and Chapter Standards then in effect.

D. Notice of each meeting of the board of directors of each Chapter or of any committees thereof and/or of the members of the Chapter shall be sent to the President of the Association concurrently with the general notice given or sent by the Chapter in regard to such meeting. Duly authorized representatives of the Association shall be allowed to attend and participate, but not vote, in any such meeting. A copy of the minutes of each such meeting shall be provided to the Association within 30 days of such meeting.

SECTION 5. Good Standing.

A. A Chapter, once formed in accordance with these By-laws, shall be deemed to be a Chapter in Good Standing unless designated otherwise by resolution of the Board of Directors of the Association, except that a Chapter which has had its assets frozen, attached, liened or otherwise impeded by legal compulsion, or which has been found to be in violation of any law of the United States, its territories, states or municipalities, shall be deemed not to be in good standing without action of the Board of Directors of the Association.

B. Except as set out at Section 5.A. above, a Chapter may be designated to be Not in Good Standing only upon good cause shown and upon a vote of two-thirds of the Directors present and voting at a meeting of the Board of Directors. As applied to this paragraph, good cause shall include the following:

1. failure to abide by the terms of the Statement of Relationship executed by such Chapter; or
2. failure to abide by the Policies and Procedures of the Association then in effect; or
3. failure to meet the Chapter Standards then in effect; or
4. violation of any laws of the United States, its territories, states or municipalities; or
5. any other basis expressly set forth in these By-laws.

C. A Chapter designated as Not in Good Standing shall be so notified by the Secretary of the Association within 30 days of such designation.

D. A Chapter designated as Not in Good Standing shall have the following rights:

1. Such Chapter, within 30 days of receiving notice of such designation, may request reconsideration of the designation at the next regular meeting of the Board of Directors, though a request for reconsideration

shall not stay any disability or further action resulting from such designation.

2. Such Chapter, upon achieving compliance, and upon a showing of the same to the Board of Directors, may apply to be re-designated a Chapter in Good Standing.

SECTION 6. Disaffiliation.

A. The procedure for disaffiliation of a Chapter shall be established by resolution of the Board of Directors.

B. No Chapter may be disaffiliated except by a vote of two-thirds of the Directors present and voting at a meeting of the Board of Directors and upon a prior designation of the Chapter as being Not in Good Standing and good cause shown as set out at Article VIII, Section 5.B.

C. A Chapter which has been disaffiliated shall be so notified by the Secretary of the Association within ten days of such disaffiliation.

D. A Chapter which has been disaffiliated shall have the right to request a rehearing of its disaffiliation by the Executive Committee of the Board at its next regular meeting following receipt of a request for rehearing, provided such request is made within 30 days of the notice of disaffiliation. On rehearing, a two-thirds vote of the Executive Committee members present and voting at such meeting shall be required to uphold the disaffiliation then being considered.

E. A Chapter may voluntarily disaffiliate by requesting disaffiliation, and upon approval of the Board of Directors.

ARTICLE X

Contracts, Checks, Deposits and Funds

SECTION 1. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer or the President and countersigned by the Chair or a Vice Chair of the Association.

SECTION 3. Deposits.

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4. Gifts.

The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE XI

Certificate of Membership

SECTION 1. Authority.

The Board of Directors may provide for the issuance of cards or other certificates evidencing membership in the Association which shall be in such form and upon such terms as may be determined by the Board. All such certificates shall be consecutively numbered. The name and address of each Member and the date of issuance of the corresponding membership certificate shall be entered on the records of the Association. If any such certificate shall become lost, mutilated or destroyed a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine. Certificates of membership shall not be transferable.

SECTION 2. Issuance.

When a Chapter or other person eligible for membership in the Association has applied for membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his or its name and delivered to such applicant by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of this Article.

ARTICLE XII

Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member, or agent or attorney for such Member, for any proper purpose.

ARTICLE XIII

Fiscal Year

The fiscal year of the Association shall begin on the first day of July and shall end on the last day of June in each year.

ARTICLE XIV

Assessments

The Board of Directors by resolution may determine from time to time the amount, manner and method of payment of the assessments payable to the Association. Failure to make timely payment of such assessments may be grounds for determination that a Chapter is Not in Good Standing or for disaffiliation of such Chapter.

ARTICLE XV

Seal

The Board of Directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Delaware."

ARTICLE XVI

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Delaware Corporation Law, or under the provisions of the Certificate of Incorporation or by the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated thereon, shall be deemed equivalent to the giving of such notice.

ARTICLE XVII

Compensation and Conflicts of Interest

SECTION 1: Compensation.

Except as may be specifically provided from time to time by resolution of the Board of Directors, no Director, officer of the Board of Directors, or such other person or persons as may be designated from time to time in guidelines adopted by the Board of Directors (hereinafter “interested person”) shall receive any salary, fee, payment, honorarium or other compensation or thing of value of any kind from the Association or other party as compensation for such interested person’s service to the Association.

SECTION 2: Conflicts of Interest.

A. No individual, interested person or Chapter shall (i) engage in any course of conduct which may result in an actual or potential conflict of interest with the Association or any Chapter or (ii) take any position publicly as a representative of the Association or any Chapter which has not been approved by the Association or such Chapter as the case may be.

B. Any known or reasonably foreseeable actual or potential conflict of interest shall be disclosed to the Board of Directors, or its committee designee, by the Chapter or interested person whose interests are or may appear to be in conflict with the Association.

C. When any such conflict of interest is relevant to a matter requiring action by the Board of Directors or any committee of the Board, the interested person or Chapter shall disclose such conflict to the Board of Directors or such committee, and such interested person or Chapter representative shall not vote on the matter. Further, the interested person or representative from a Chapter having a conflict shall retire from the room in which the Board or the committee is meeting and shall not participate in any deliberation or decision regarding the matter under consideration. However, that interested person or representative from a Chapter shall provide the Board or committee, upon request, with all information relevant to the matter under consideration.

D. The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person or Chapter representative was not present during any discussion of the matter and did not vote on the matter in person or by proxy. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors or the committee, as the case may be, excluding the interested person or representative from a Chapter concerning whom the doubt has arisen.

E. A copy of this By-Laws Article and any related ethical policy or guidelines, as from time to time adopted or amended by the Board of Directors, shall be presented: (i) to all interested persons serving the Association and all Chapters of the Association at the time of any such adoption or amendment and in no event less often than annually; and (ii) to all individuals seeking to serve the Association as an interested person prior to requesting any such individual to execute a conflict of interest disclosure statement.

F. A conflict of interest disclosure statement shall be completed, executed and filed with the Association by:

- (i) All individuals seeking to serve the Association as an interested person prior to such individual commencing his or her service to the Association at such time and in such manner as may be provided in guidelines adopted by the Board of Directors.
- (ii) All interested persons serving the Association, from time to time, as may be required by the Board of Directors, this By-Laws Article or any other related ethical policy or guideline adopted by the Board of Directors, and in no event less often than annually.
- (iii) **SECTION 3: Failure to Comply.**

The failure of an individual, interested person or Chapter to comply with this By-Laws Article or any other ethical policy or guideline adopted by the Board of Directors shall be cause:

- (i) For an individual not yet serving the Association as an interested person, to terminate said individual's application or nomination to serve the Association as an interested person.
- (ii) For an interested person, to remove such interested person immediately from his or her position with the Association.
- (iii) For a Chapter, to commence disaffiliation proceedings as provided in Article IX, Section 6, of the Association's By-Laws.

ARTICLE XVIII

Definitions

The terms set forth below when used in these By-laws shall have the meanings set forth therein.

1. The Association. The "Association" is Alzheimer's Disease and Related Disorders Association, Inc., a Delaware corporation, also conducting business as Alzheimer's Association.

2. Chapter. A "Chapter" is a Chapter of the Association as described in Articles IV and IX.

3. Statement of Relationship. A "Statement of Relationship" is an agreement, so entitled, between a Chapter and the Association setting forth the respective rights and obligations of the parties.

4. Chapter Experience. "Chapter Experience" is (a) experience for a minimum of two years as an officer of a Chapter, a board member of a Chapter, or an active participant of a committee of a Chapter or other experience with a Chapter deemed by the Governance and Nominating Committee to be substantially equivalent to such experience, combined with (b) the written endorsement of such person's suitability to serve as a Director and of his or her qualifying experience with such Chapter evidenced by a resolution of such Chapter's board of directors or executive committee.

5. Directors. The "Directors" are the Directors of the Association. When the term "Board of Directors" is used in these By-laws, it refers to the board of directors of the Association.

6. Members. The "Members" are the Members of the Association as defined in Article III.

7. Officers. The "Officers" are the officers of the Association as set forth and defined in Article VII.

8. Policies and Procedures. The "Policies and Procedures" are the policies, procedures, rules and regulations governing Chapters as adopted from time to time by the Association. References to the Policies and Procedures herein shall mean and refer to the Policies and Procedures currently in effect as opposed to those in effect at some prior time. Policies and Procedures may be changed from time to time by the Association, and the Chapters shall abide by such changed Policies and Procedures as if they were in effect at the time of their affiliation with the Association.

9. Regions. The "Regions" of the Association are the following ten regions:

Region I - Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Region II - New Jersey and New York.

Region III - Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia.

Region IV - Alabama, Florida, Georgia, Mississippi, North Carolina and South Carolina.

Region V - Indiana, Kentucky, Ohio and Tennessee.

Region VI - Illinois, Kansas, Missouri and Nebraska.

Region VII - Iowa, Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin.

Region VIII - Arkansas, Louisiana, New Mexico, Oklahoma and Texas.

Region IX - Arizona, California, Hawaii and Nevada.

Region X - Alaska, Colorado, Idaho, Montana, Oregon, Utah, Washington and Wyoming.

The Board of Directors, by resolution, may change or realign the regions for the purposes of the Association's business.

ARTICLE XIX

Medical and Scientific Advisory Council

SECTION 1. Medical and Scientific Advisory Council.

The Medical and Scientific Advisory Council shall have its own by-laws which at no time shall be inconsistent with the Association's by-laws. The Medical and Scientific Advisory Council shall act as a resource for the Association in all medical and scientific matters by providing advice and recommendations to the Board of Directors on medical and scientific matters pertaining to Alzheimer's Disease and related disorders.

SECTION 2. Members.

The Medical and Scientific Advisory Council shall consist of no more than fifteen members, who shall be medical and scientific professionals elected by the Board of Directors from a list or lists of names submitted by the Nominating Committee of the Medical and Scientific Advisory Council to the Board of Directors' Governance and Nominating Committee, and the terms and guidelines of the membership shall be as outlined in Article II of the Medical and Scientific Advisory Council By-laws.

SECTION 3. Officers.

The officers of the Medical and Scientific Advisory Council shall be Chair and Vice Chair. The election and duties of such officers shall be as outlined in Article III of the By-laws of the Medical and Scientific Advisory Council.

ARTICLE XX

Amendments

These By-laws may be altered, amended or repealed and new By-laws may be adopted by a two-thirds majority of the Board of Directors present and voting at the Annual Meeting or any regular or special meeting of the Board. Proposed amendments to the By-laws shall be sent in writing to all Directors not less than thirty days prior to the meeting at which such amendments are to be considered.

Amended: May, 2000
January, 2001

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part VI, Line 90a
States with which a copy of the return is filed
FEIN # 13-3039601
Year ended June 30, 2002

State Registrations / Filings for Solicitation of Charitable Contributions

List of States

Alabama	New Hampshire
Arizona	New Jersey
Arkansas	New Mexico
California	New York
Colorado	North Carolina
Connecticut	North Dakota
Delaware	Ohio
District of Columbia	Oklahoma
Florida	Oregon
Georgia	Pennsylvania
Illinois	Rhode Island
Kansas	South Carolina
Kentucky	South Dakota
Louisiana	Tennessee
Maine	Utah
Maryland	Washington
Massachusetts	West Virginia
Michigan	Wisconsin
Minnesota	
Mississippi	

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Part VIII
Relationship of activities to accomplishment of exempt purposes
FEIN # 13-3039601
Year ended June 30, 2002

Line 93d - Program service revenue: Safe Return Registration Fees

The Alzheimer's Association derives income from registration fees for the Safe Return program.

This is the Association's nationwide bracelet identity program, created for those with Alzheimer's who "wander" and may not be able to find their way home. As offering patient and family services to aid those affected by the disease is one of the exempt purposes of this organization, these fees do not constitute Unrelated Business income and therefore were not reported on Form 990-T.

Line 101 - Net income or (loss) from special events

The Alzheimer's Association derives income from the sale of tickets to the two annual Rita Hayworth galas.

Proceeds from these galas are used for research. Investigating the causes, preventions, treatments, and cures for the disease is one of the exempt purposes of this organization. Therefore, these sales do not constitute Unrelated Business income and were not reported on Form 990-T.

Line 102 - Gross profit or (loss) from sales of inventory

The Alzheimer's Association derives income from the sale of educational materials to local chapters of the organization and other interested parties.

These books provide information regarding Alzheimer's Disease; no advertising is contained in these volumes. As educating the public about Alzheimer's is one of the exempt purposes of this organization, these sales do not constitute Unrelated Business income in accordance with Reg. 1.513-1(d) 1 & 2 and therefore were not reported on Form 990-T.

Alzheimer's Disease and Related Disorders Association, Inc.
Form 990, Schedule A, Part III, Line 4b
Statement about grants
FEIN # 13-3039601
Year ended June 30, 2002

A Medical and Scientific Advisory Council composed of individuals knowledgeable in the field of Medical Research reviews all proposals from organizations interested in receiving grants, as it is the purpose of this organization to encourage new research into the causes of and cures for Alzheimer's Disease. Grants are approved only for direct research expenses related to the organization's exempt purposes which show potential for new discoveries.