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

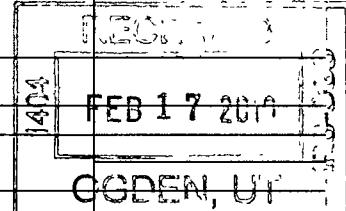
2008

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

For calendar year 2008, or tax year beginning Dec 1, 2008, and ending Nov 30, 2009

G Check all that apply		Initial return	Final return	Amended return	Address change	Name change	
Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation STEPHEN WARREN MILES & MARILYN ROSS MILES FOUNDATION	Number and street (or P O box number if mail is not delivered to street address) C/O 6363 WOODWAY	Room/suite 502	A Employer identification number 74-2187638			
	City or town HOUSTON	State TX	ZIP code 77057	B Telephone number (see the instructions) (713) 266-5626			
H Check type of organization	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation						
I Fair market value of all assets at end of year (from Part II, column (c), line 16)	J Accounting method	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____					
► \$ 1,495,760.	(Part I, column (d) must be on cash basis)						
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)		
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)	232.					
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B						
	3 Interest on savings and temporary cash investments	11,551.	11,551.				
	4 Dividends and interest from securities	47,466.	47,466.				
	5a Gross rents						
	5b Net rental income or (loss)						
	6a Net gain/(loss) from sale of assets not on line 10						
	6b Gross sales price for all assets on line 6a						
	7 Capital gain net income (from Part IV, line 2)						
	8 Net short-term capital gain						
	9 Income modifications						
	10a Gross sales less returns and allowances						
10b Less Cost of goods sold							
10c Gross profit/(loss) (att sch)							
11 Other income (attach schedule)							
12 Total. Add lines 1 through 11	59,249.	59,017.					
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc						
	14 Other employee salaries and wages						
	15 Pension plans, employee benefits						
	16a Legal fees (attach schedule) L-16a Stmt	125.	125.				
	16b Accounting fees (attach sch) L-16b Stmt	3,337.	3,337.				
	16c Other prof fees (attach sch)	5,589.	5,589.				
	17 Interest						
	18 Taxes (attach schedule) See Line 18 Stmt	390.	390.				
	19 Depreciation (attach sch) and depletion						
	20 Occupancy						
	21 Travel, conferences, and meetings						
	22 Printing and publications						
	23 Other expenses (attach schedule) See Line 23 Stmt	-3,708.	3,858.				
	24 Total operating and administrative expenses. Add lines 13 through 23	5,733.	13,299.				
25 Contributions, gifts, grants paid	89,571.			89,571.			
26 Total expenses and disbursements. Add lines 24 and 25	95,304.	13,299.		89,571.			
27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements b Net investment income (if negative, enter -0-) c Adjusted net income (if negative, enter -0-)	-36,055.			45,718.			

ORIGINAL



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	
A S S E T S	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	718,759.	596,104.	
	3	Accounts receivable ►			
		Less allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule)			
	c	Investments – corporate bonds (attach schedule) L-10c Stmt	612,561.	706,905.	
	11	Investments – land, buildings, and equipment basis ► 180,000.			
		Less accumulated depreciation (attach schedule) ►	180,000.	180,000.	
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule) L-13 Stmt	18,883.	11,194.	
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ►)			
	16	Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	1,530,203.	1,494,203.	
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)			
N F E U T N D A S S E L S T A S C O R E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		► <input type="checkbox"/>		
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			► <input checked="" type="checkbox"/>	
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see the instructions)		1,530,203.	
	31	Total liabilities and net assets/fund balances (see the instructions)		1,494,203.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,530,203.
2	Enter amount from Part I, line 27a	2	-36,055.
3	Other increases not included in line 2 (itemize) ► OTHER	3	55.
4	Add lines 1, 2, and 3	4	1,494,203.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,494,203.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))		
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	[If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]		3		

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2007	101,520.	1,208,718.	0.083990
2006	79,392.	962,828.	0.082457
2005	85,651.	984,742.	0.086978
2004	48,589.	1,252,115.	0.038806
2003	62,073.	1,120,023.	0.055421

2 Total of line 1, column (d)

3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5

5 Multiply line 4 by line 3

6 Enter 1% of net investment income (1% of Part I, line 27b)

7 Add lines 5 and 6

8 Enter qualifying distributions from Part XII, line 4

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1		
Date of ruling letter _____ (attach copy of ruling letter if necessary – see instructions)	1	457.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	2	0.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)	3	457.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3 Add lines 1 and 2	5	457.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6 Credits/Payments		
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a	
b Exempt foreign organizations – tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments Add lines 6a through 6d	7	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> If Form 2220 is attached	8	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	457.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.
11 Enter the amount of line 10 to be Credited to 2009 estimated tax ► Refunded	11	

Part VII-A | Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b	X
<i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		
c Did the foundation file Form 1120-POL for this year?	1c	X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? b If 'Yes,' has it filed a tax return on Form 990-T for this year?	4a	X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>	4b	
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	5	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	6	X
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► _____	7	X
<i>b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation</i>	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>	9	X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>	10	X

Part VII-A | Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(3)? If 'Yes', attach schedule (see instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X
14	The books are in care of ► <u>MRS. MARILYN MILES</u> Telephone no. ► <u>(713) 871-0519</u> Located at ► <u>3700 BUFFALO SPEEDWAY, #1010, HOUSTON TX ZIP + 4</u> ► <u>77098</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15	► <input type="checkbox"/>

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

	File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here	► <input type="checkbox"/>	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If 'Yes,' list the years ► <u>20_ _ , 20_ _ , 20_ _ , 20_ _</u>		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see the instructions)		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► <u>20_ _ , 20_ _ , 20_ _ , 20_ _</u>		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008)		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?		

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

 Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

 Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

 Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

 Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

 Yes Nob If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here ►

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

 Yes No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered 'Yes' to 6b, also file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes No

7b

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

X

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
STEPHEN WARREN MILES 3700 BUFFALO SPEEDWAY, STE 1010, HOUSTON TX 77098	PRES/TREAS 1.00	0.	0.	0.
MARILYN ROSS MILES 3700 BUFFALO SPEEDWAY, STE 1010, HOUSTON, TX 77098	VP/SEC 1.00	0.	0.	0.
STEPHEN WARREN MILES JR. 3700 BUFFALO SPEEDWAY, STE 1010, HOUSTON TX 77098	DIRECTOR 1.00	0.	0.	0.
EDWARD ROSS MILES 3700 BUFFALO SPEEDWAY, STE 1010, HOUSTON TX 77098	DIRECTOR 1.00	0.	0.	0.

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

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

Total number of other employees paid over \$50,000

►

None

Part VIII . Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

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

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

Total number of others receiving over \$50,000 for professional services

None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	<u>N/A</u>	
2		0.
3		
4		

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

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a Average monthly fair market value of securities	1a	605,008.
b Average of monthly cash balances	1b	634,791.
c Fair market value of all other assets (see instructions)	1c	0.
d Total (add lines 1a, b, and c)	1d	1,239,799.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,239,799.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	18,597.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,221,202.
6 Minimum investment return. Enter 5% of line 5	6	61,060.

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

1 Minimum investment return from Part X, line 6	1	61,060.
2a Tax on investment income for 2008 from Part VI, line 5	2a	457.
b Income tax for 2008 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	457.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	60,603.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	60,603.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	60,603.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	89,571.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	89,571.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	457.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	89,114.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				60,603.
2 Undistributed income, if any, as of the end of 2007:				0.
a Enter amount for 2007 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003 0.				
b From 2004 0.				
c From 2005 0.				
d From 2006 38,952.				
e From 2007 101,894.				
f Total of lines 3a through e 140,846.				
4 Qualifying distributions for 2008 from Part XII, line 4 ► \$ 89,571.				
a Applied to 2007, but not more than line 2a 0.				
b Applied to undistributed income of prior years (Election required – see instructions) 0.				
c Treated as distributions out of corpus (Election required – see instructions) 0.				
d Applied to 2008 distributable amount 89,571.				
e Remaining amount distributed out of corpus 60,603.				60,603.
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 169,814.				
b Prior years' undistributed income Subtract line 4b from line 2b 0.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed 0.				
d Subtract line 6c from line 6b Taxable amount – see instructions 0.				
e Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount – see instructions 0.				
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009 0.				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions) 0.				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a 169,814.				
10 Analysis of line 9:				
a Excess from 2004 0.				
b Excess from 2005 0.				
c Excess from 2006 0.				
d Excess from 2007 80,243.				
e Excess from 2008 89,571.				

BAA

Form 990-PF (2008)

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

N/A

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

1. Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

MARTILYN MILES

3700 BUFFALO SPEEDWAY

5700 202

TX 77098

(713) 499-4600

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

N/A

c Any submission deadlines

NONE

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

NONE

Part XV. | Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
MUSEUM OF CONTEMPORARY ART 700 PROSPECT STREET LA JOLLA CA 92037	N/A	PUBLIC CHAR	GENERAL PURPOSE	482.
BLAFFER GALLERY 120 FINE ARTS BLDG, UNIV OF HOUSTON, HOUSTON TX 77004	N/A	PUBLIC CHAR	GENERAL PURPOSE	3,000.
HOUSTON SYMPHONY SOCIETY 615 LOUISIANA ST, #102, HOUSTON TX 77002	N/A	PUBLIC CHAR	GENERAL PURPOSE	17,599.
CORNELL UNIVERSITY ITHACA NY 14853	N/A	PUBLIC CHAR	GENERAL PURPOSE	250.
LA JOLLA HISTORICAL SOCIETY 7846 EADS AVE, LA JOLLA CA 92037	N/A	PUBLIC CHAR	GENERAL PURPOSE	600.
PATRONS OF PRADO P.O. BOX 928530, SAN DIEGO CA 92192	N/A	PUBLIC CHAR	GENERAL PURPOSE	9,750.
AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVE DALLAS TX 75231	N/A	PUBLIC CHAR	GENERAL PURPOSE	500.
OPERA IN THE HEIGHTS 1703 HEIGHTS BLVD HOUSTON TX 77008	N/A	PUBLIC CHAR	GENERAL PURPOSE	4,797.
HOUSTON HEIGHTS ASSOCIATION PO BOX 70735 HOUSTON TX 77270 See Line 3a statement		PUBLIC CHAR	GENERAL PURPOSE	20.
				52,573.
Total			► 3a	89,571.
<i>b Approved for future payment</i>				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	11,551.	
4 Dividends and interest from securities			14	47,466.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				59,017.	
13 Total Add line 12, columns (b), (d), and (e)					59,017.

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

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

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

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets

- Other transactions
- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1a (1)		X
1a (2)		X
1b (1)		X
1b (2)		X
1b (3)		X
1b (4)		X
1b (5)		X
1b (6)		X
1c		X

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee		Date	Title	
<i>Mary A. Mills</i>		1/14/0	Vice President	
Signature of officer or trustee		Date	Title	
Paid Pre- parer's Use Only	Preparer's signature	<i>Nancy L. Wakefield</i>	Date	Preparer's Identifying number (See Signature in the instrs)
	<i>Nancy L. Wakefield</i>		2-1-10	<input type="checkbox"/> 100238242
	Firm's name (or yours if self- employed), address, and ZIP code		EIN	<input type="checkbox"/> 20-3608134
Blakely & Wakefield, LLP 6363 Woodway Dr., Ste 502 Houston		TX 77057	Phone no	(713) 266-5626

BAA

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

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>AD VALOREM TAXES</u>	16.	16.		
<u>TAXES</u>	374.	374.		
Total	390.	390.		

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses.	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>INSURANCE</u>	2,792.	2,792.		
<u>BANK FEES</u>	1,035.	1,035.		
<u>POSTAGE</u>	25.	25.		
<u>MISC</u>	6.	6.		
<u>OTHER</u>	-7,566.			
Total	-3,708.	3,858.		

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Found- ation status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
<u>a Paid during the year</u>				
<u>U OF H SCHOOL OF MUSIC</u> <u>4800 CALHOUN</u> <u>HOUSTON TX 77004</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 1,000.
<u>THE OLD GLOBE</u> <u>PO BOX 122171</u> <u>SAN DIEGO CA 92112-2171</u>		<u>PUBLIC CH</u>	<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 22,043.
<u>AMERICAN CANCER SOCIETY</u> <u>6301 RICHMOND</u> <u>HOUSTON TX 77057</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 200.
<u>GLASSTIRE</u> <u>PO BOX 70408</u> <u>HOUSTON TX 77270</u>		<u>PUBLIC CH</u>	<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 550.
<u>MOMA</u> <u>11 WEST 53RD</u> <u>NEW YORK NY 10019</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 860.
<u>KINKAID SCHOOL</u> <u>201 KINKAID SCHOOL DR</u> <u>HOUSTON TX 77024</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 400.
<u>HYDROCEPHALUS ASSOCIATION</u> <u>870 MARKET ST</u> <u>SAN FRANCISCO CA 94102</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 750.
<u>ROYAL OAKS FOUNDATION</u> <u>35 WEST 25TH</u> <u>NEW YORK NY 10001</u>			<u>GENERAL PURPOSE</u>	Person or Business <input type="checkbox"/> 12,170.

Form 990-PF, Page 11, Part XV, Line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Found- ation status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
<u>SHARP HEALTHCARE</u> <u>8695 SPECTRUM CENTER</u> <u>SAN DIEGO TX 92123</u>				Person or Business <input type="checkbox"/> 600.
<u>MUSEUM OF CONTEMPORARY ARTS - SAN DIEGO</u> <u>1100 KETTNER BLVD</u> <u>SAN DIEGO CA 92101</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 13,145.
<u>MUSEUM OF NATURAL SCIENCE</u> <u>1 HERMAN CR</u> <u>HOUSTON TX 77030</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 82.
<u>WELLSPRING</u> <u>21 ARCH BRIDGE</u> <u>BETHLEHEM CT 06751</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 125.
<u>BUFFALO BAYOU PARTNRS</u> <u>1113 VINE ST</u> <u>HOUSTON TX 77002</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 100.
<u>FIRST GIVING</u> <u>48 GROVE ST</u> <u>SOMERVILLE MA 02144</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 200.
<u>THE EXPLORERS CLUB</u> <u>500 KINGSTON</u> <u>IRVING TX 75061</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 130.
<u>HOUSTON MUSEUM OF FINE ARTS</u> <u>1001 BISSONNET</u> <u>HOUSTON TX 77005</u>		PUBLIC CH	GENERAL PURPOSE	Person or Business <input type="checkbox"/> 218.

Total

52,573.

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

L-16a Stmt

Line 16a - Legal Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Name of Provider	Type of Service Provided				
CT CORPORATION	LEGAL SERVICES	125.			

Total 125.

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

L-16b Stmt

Line 16b - Accounting Fees:		Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BAIRD, KURTZ & DOBSON	ACCOUNTING SERVICES	3,337.			
Total					<u>3,337.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
SECURITIES	706,905.	705,624.
Total	<u>706,905.</u>	<u>705,624.</u>

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

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
ARTWORK	11,194.	11,194.
Total	<u>11,194.</u>	<u>11,194.</u>

Supporting Statement of:**Investments/Line 10c Book-1**

Description	Amount
BANK OF AMERICA 10.20% 7/15	25,000.
RALSTON PURINA CO 9.3% 05/21	100,000.
SUNAMERICA INC DEB 8.125%	175,000.
GTE BOND 6.94% 4/15	200,000.
PPL ENERGY SUPPLY 6.5% 5/18	100,000.
PLAINS ALL AMERICAN PIPELINE 6.7% 5/18	30,000.
PCM FUND	76,905.
Total	<u>706,905.</u>