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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning

, 2009, and ending

G Check all that apply:

 Initial return Initial Return of a former public charity Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation Tom and Charlene Marsh Family Foundation	A Employer identification number 26-0177017
	Number and street (or P O box number if mail is not delivered to street address) P.O. Box 460	Room/suite
City or town Dallas	State ZIP code TX 75221	C If exemption application is pending, check here ► <input type="checkbox"/>

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	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► \$ 8,053,841.	(Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

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)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	13,842.	13,842.		
	4 Dividends and interest from securities	175,759.	175,759.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	214,967.			
	b Gross sales price for all assets on line 6a	214,967.			
	7 Capital gain net income (from Part IV, line 2)		214,967.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
From 1607 Capital Bond Fund, LP Sch K-1	719.	719.			
12 Total. Add lines 1 through 11	405,287.	405,287.			
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	1,020.		
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch)	L-16c Stmt	8,248.	7,978.	
	17 Interest				
	18 Taxes (attach schedule) See Line 18 Stmt		3,174.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	12,442.	7,978.		
25 Contributions, gifts, grants paid	370,000.			370,000.	
26 Total expenses and disbursements. Add lines 24 and 25	382,442.	7,978.		370,000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	22,845.				
b Net investment income (if negative, enter -0-)		397,309.			
c Adjusted net income (if negative, enter 0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year		
			(a) Book Value	(b) Book Value	(c) Fair Market Value	
ASSETS	1	1 Cash – non-interest-bearing				
	2	2 Savings and temporary cash investments	2,024,121.	1,559,744.	1,559,744.	
	3	3 Accounts receivable				
		Less: allowance for doubtful accounts				
	4	4 Pledges receivable				
		Less: allowance for doubtful accounts				
	5	5 Grants receivable				
	6	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)				
	7	7 Other notes and loans receivable (attach sch)				
		Less allowance for doubtful accounts	4,056,564.	4,056,564.	4,056,564.	
	8	8 Inventories for sale or use				
	9	9 Prepaid expenses and deferred charges				
	10a	10a Investments – U S and state government obligations (attach schedule)				
	b	b Investments – corporate stock (attach schedule)				
	c	c Investments – corporate bonds (attach schedule)				
	11	11 Investments – land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	12 Investments – mortgage loans					
13	13 Investments – other (attach schedule)	L-13 Stmt	1,590,575.	2,437,533.	2,437,533.	
14	14 Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	15 Other assets (describe ▶)					
16	16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)		7,671,260.	8,053,841.	8,053,841.	
LIABILITIES	17	17 Accounts payable and accrued expenses				
	18	18 Grants payable				
	19	19 Deferred revenue				
	20	20 Loans from officers, directors, trustees, & other disqualified persons				
	21	21 Mortgages and other notes payable (attach schedule)				
	22	22 Other liabilities (describe ▶)				
	23	23 Total liabilities (add lines 17 through 22)				
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	▶ <input type="checkbox"/>			
	24	24 Unrestricted				
	25	25 Temporarily restricted				
	26	26 Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	▶ <input checked="" type="checkbox"/>			
	27	27 Capital stock, trust principal, or current funds				
	28	28 Paid-in or capital surplus, or land, building, and equipment fund				
	29	29 Retained earnings, accumulated income, endowment, or other funds		7,671,260.	8,053,841.	
	30	30 Total net assets or fund balances (see the instructions)		7,671,260.	8,053,841.	
31	31 Total liabilities and net assets/fund balances (see the instructions)		7,671,260.	8,053,841.		

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	7,671,260.
2	Enter amount from Part I, line 27a	2	22,845.
3	Other increases not included in line 2 (itemize) ▶ <u>Unrealized gain on investments/TEI</u>	3	359,736.
4	Add lines 1, 2, and 3	4	8,053,841.
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	8,053,841.

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 STCG-1607 Capital Bond Fund, LP Sch K-1			P	Various	Various
b LTCG-1607 Capital Bond Fund, LP Sch K-1			P	Various	Various
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 189,550.			0.	189,550.	
b 25,417.			0.	25,417.	
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(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	(l) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))		
a			189,550.		
b			25,417.		
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	214,967.	
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))
2008	191,241.	7,438,763.	0.025709
2007	0.	4,779,376.	0.000000
2006			
2005			
2004			

- 2 Total of line 1, column (d) 2 0.025709
- 3 Average distribution ratio for the 5-year base period ~ divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years 3 0.012855
- 4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 4 7,379,077.
- 5 Multiply line 4 by line 3 5 94,858.
- 6 Enter 1% of net investment income (1% of Part I, line 27b) 6 3,973.
- 7 Add lines 5 and 6 7 98,831.
- 8 Enter qualifying distributions from Part XII, line 4 8 370,000.

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)**

Part VII-A Statements Regarding Activities

- | | Yes | No |
|----|-----|----|
| 1a | X | |
| 1b | X | |
| 1c | X | |
| 2 | X | |
| 3 | X | |
| 4a | X | |
| 4b | N | A |
| 5 | X | |
| 6 | | |
| 7 | X | |
| 8a | | |
| 8b | X | |
| 9 | X | |
| 10 | X | |

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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

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

c Did the foundation file **Form 1120-POL** for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
 (1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?
 If 'Yes,' attach a detailed description of the activities

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? If 'Yes,' attach a conformed copy of the changes

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?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
 If 'Yes,' attach the statement required by General Instruction T

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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► TX - Texas

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

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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

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Part VII-A Statements Regarding Activities Continued

- | | |
|----|--------------------------------|
| 11 | X |
| 12 | X |
| 13 | X |
| 14 | Telephone no. ► (214) 880-4403 |
| 15 | ► 15 |
- 11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)
- 12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A
- 14 The books are in care of ► Marsh Operating Co. Located at ► 300 Crescent Ct. Ste. 900 Dallas TX ZIP + 4 ► 75201
- 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

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 |
| 1b 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 ► | | |
| 1c 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 2009? | | |
| 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)) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? | | |
| If 'Yes,' list the years ► 20__, 20__, 20__, 20__ | | |
| 2b 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) | | |
| 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 2009 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 2009) | | |
| 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 2009? | | |

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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 No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?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?

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?

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

If 'Yes' to 6b, file Form 8870.

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

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

5b N A

6b X

7b N A

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
Tom F. Marsh P.O. Box 460 Dallas TX 75221	Chairman-Dir 0.50	0.	0.	0.
Charlene Marsh P.O. Box 460 Dallas TX 75221	Pres-Dir 0.50	0.	0.	0.
William E. Allen P.O. Box 460 Dallas TX 75221	Treasurer 0.50	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc		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	NONE	
2		
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	<u>NONE</u>	
2		
3	<u>NONE</u>	
All other program-related investments See instructions		
Total.	Add lines 1 through 3	►

All other program-related investments See instructions

3 NONE

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
b Average of monthly cash balances	1b 1,672,695.
c Fair market value of all other assets (see instructions)	1c 5,818,754.
d Total (add lines 1a, b, and c)	1d 7,491,449.
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 7,491,449.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 112,372.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 7,379,077.
6 Minimum investment return. Enter 5% of line 5	6 368,954.

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	1 368,954.
2a Tax on investment income for 2009 from Part VI, line 5	2a 3,973.
b Income tax for 2009. (This does not include the tax from Part VI)	2b
c Add lines 2a and 2b	2c 3,973.
3 Distributable amount before adjustments Subtract line 2c from line 1	3 364,981.
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5 364,981.
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	7 364,981.

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 370,000.
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	4 370,000.
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 3,973.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 366,027.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				364,981.
2 Undistributed income, if any, as of the end of 2009:			333,734.	
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004 0.				
b From 2005 0.				
c From 2006 0.				
d From 2007 0.				
e From 2008 0.				
f Total of lines 3a through e 0.				
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 370,000.			333,734.	
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2009 distributable amount 36,266.				
e Remaining amount distributed out of corpus 0.				
5 Excess distributions carryover applied to 2009 (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 0.				
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 2008. Subtract line 4a from line 2a. Taxable amount – see instructions 0.				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010 328,715.				
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 2004 not applied on line 5 or line 7 (see instructions) 0.				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a 0.				
10 Analysis of line 9				
a Excess from 2005 0.				
b Excess from 2006 0.				
c Excess from 2007 0.				
d Excess from 2008 0.				
e Excess from 2009 0.				

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

N/A

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling				►
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
b	85% of line 2a				
c	Qualifying distributions from Part XII, line 4 for each year listed				
d	Amounts included in line 2c not used directly for active conduct of exempt activities				
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3	Complete 3a, b, or c for the alternative test relied upon:				
a	'Assets' alternative test – enter:				
(1)	Value of all assets				
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c	'Support' alternative test – enter:				
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)				
(3)	Largest amount of support from an exempt organization				
(4)	Gross investment income				

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

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

- c Any submission deadlines

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

Part XV | Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> See Attached Exhibit I				370,000.
Total				► 3a 370,000.
<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	13,842.	
4 Dividends and interest from securities			14	175,759.	
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			18	214,967.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue.					
a From 1607 Capital Bond Fund, LP Sch K-1			14	719.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				405,287.	
13 Total. Add line 12, columns (b), (d), and (e)					405,287.

(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

b 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
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		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.

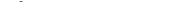
2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

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.

S - G 
Signature of officer or trustee

X 5/17/10 ► Secretary/VP
Date Title

Paid Pre- parer's Use Only	Preparer's signature			Date	Check if self- employed	Preparer's Identifying number (See Signature in the instrs)
	MARSH OPERATING CO. 300 CRESCENT CT., STE #900 DALLAS		5-17-10	<input type="checkbox"/>	445-66-2997 75-1597964	
	Firm's name (or yours if self- employed), address, and ZIP code		TX 75201		EIN	Phone no
					214 880 4403	

BAA

Form 990-PF (2009)

Name <u>Tom and Charlene Marsh Family Foundation</u>	Employer Identification Number <u>26-0177017</u>
Asset Information:	
Description of Property:	<u>From Part IV</u>
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price	<u>214,967.</u> Cost or other basis (do not reduce by depreciation)
Sales Expense	Valuation Method
Total Gain (Loss)	<u>214,967.</u> Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:
Description of Property	
Date Acquired:	How Acquired
Date Sold:	Name of Buyer
Sales Price:	Cost or other basis (do not reduce by depreciation)
Sales Expense:	Valuation Method
Total Gain (Loss):	Accumulation Depreciation:

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
Tax due with 2008 990PF	674.			
2009 estimated tax paid	2,500.			
Total				<u>3,174.</u>

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Joe Coffman P.O. Box 460	Sec-VP 0.50	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Charlene C. Marsh P.O. Box 460	Dir 0.10	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Charles A. Marsh P.O. Box 460	Dir 0.10	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Tennessee E. Kellogg P.O. Box 460	Dir 0.10	0.	0.	0.
Dallas TX 75221				

Total

0. 0. 0.

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Hunton & Williams	general legal	1,020.			
Total					<u>1,020.</u>

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CT Corporation	registered agent	270.			
Bank One	bank services	40.	40.		
Partnership	investment services	7,938.	7,938.		
Total		<u>8,248.</u>	<u>7,978.</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
1607 Capital Bond Fund, LP	0.	0.
Whitebox Special Opportunities Fund SPC, Ltd.	918,551.	918,551.
ILS Partners, LP	503,939.	503,939.
Titan Trading Fund Offshore	1,015,043.	1,015,043.
Total	<u>2,437,533.</u>	<u>2,437,533.</u>

Supporting Statement of:

Form 990-PF, p2/Line 7(c)

Description	Amount
<u>Borrower:</u> Tom F. Marsh	
<u>Amount:</u> \$348,264	
<u>Balance:</u>	348,264.
<u>Date:</u> 07/01/2000	
<u>Maturity:</u> 06/30/2010	
<u>Interest:</u> 6.4% payable annually	
<u>Security:</u> unsecured	
 <u>Borrower:</u> Tom F. Marsh	
<u>Amount:</u> \$3,708,300	
<u>Balance:</u>	3,708,300.
<u>Date:</u> 05/01/2003	
<u>Maturity:</u> 05/01/2011	
<u>Interest:</u> 2.96% payable annually	
<u>Security:</u> Interest in EFM Partners, Ltd.	
Total	4,056,564.

Tom and Charlene Marsh Family Foundation
December 31, 2009 26-0177017
Form 990-PF, Part XV

Grants and Contributions Paid During the Year:

Recipient	Foundation Status	Purpose	Amount
Council On Foreign Relations 58 East 68th Street New York, NY 10065	509(a)(1)	Unrestricted gift	35,000
Dallas Center for the Performing Arts 2100 Ross Ave., Ste. 650 Dallas, TX 75201	509(a)(1)	Unrestricted gift	100,000
Dallas Museum of Art 1717 North Harwood St Dallas, TX 75201	509(a)(1)	Unrestricted gift Art Ball	5,000
Dallas Opera 2403 Flora Street, Suite 500 Dallas, TX 75201	509(a)(1)	Unrestricted gift	500
Dallas Symphony Orchestra 2301 Flora Street Dallas, TX 75201	509(a)(1)	Unrestricted gift	10,000
Dallas Theater Center 2400 Flora Street Dallas, TX 75201	509(a)(1)	Unrestricted gift	1,000
Episcopal School of Dallas 4100 Merrell Road Dallas, TX 75229	509(a)(1)	Faculty Endowment Fund	10,000
Fine Arts Museums of San Francisco 50 Hagiwara Tea Garden Drive San Francisco, CA 94118	509(a)(1)	Unrestricted gift	2,500
Foundation for Art and Preservation in Embassies 1725 I Street NW, Ste. 300 Washington, DC 20006	509(a)(1)	Unrestricted gift	5,000
French Institute - Alliance Francaise 22 East 60th Street New York, NY 10022	509(a)(1)	Unrestricted gift	2,000

Tom and Charlene Marsh Family Foundation
December 31, 2009 26-0177017
Form 990-PF, Part XV

Grants and Contributions Paid During the Year:

Recipient	Foundation Status	Purpose	Amount
Friends of KERA 3000 Harry Hines Boulevard Dallas, TX 75201	509(a)(1)	Ralph Rogers Society	5,000
Kimbell Art Museum 3333 Camp Bowie Boulevard Fort Worth, TX 76107	509(a)(1)	Unrestricted gift	5,000
Modern Art Museum of Fort Worth 3200 Darnell Street Fort Worth, TX 76107	509(a)(1)	Unrestricted gift	10,000
Museum of Modern Art 11 West 53 Street New York, NY 10019	509(a)(1)	Unrestricted gift	5,000
Museum of Nature & Science P.O. Box 151469 Dallas, TX 75315	509(a)(1)	Unrestricted gift	7,500
National Gallery of Art Sixth St and Constitution Ave. NW Washington, DC	509(a)(1)	Unrestricted gift	5,000
New York-Presbyterian Hospital 161 Fort Washington Ave. New York, NY 10032	509(a)(1)	Unrestricted gift	10,000
New York University 726 Broadway, 2nd Floor New York, NY 10003	509(a)(1)	Unrestricted gift	5,000
Princeton University Box 46 Princeton, NJ 08543	509(a)(1)	Unrestricted gift	5,000
Saint Mary's Hall 9401 Starcrest Dr. San Antonio, TX 78217	509(a)(1)	Unrestricted gift	10,000

Tom and Charlene Marsh Family Foundation
December 31, 2009 26-0177017
Form 990-PF, Part XV

Grants and Contributions Paid During the Year:

Recipient	Foundation Status	Purpose	Amount
Saint Michael and All Angels Episcopal Church 8011 Douglas Dallas, TX 75225	509(a)(1)	Unrestricted gift	10,000
San Antonio Academy 117 East French Place San Antonio, TX 78212	509(a)(1)	Unrestricted gift	5,000
School Of American Ballet 70 Lincoln Center Plaza New York, NY 10023	509(a)(1)	Unrestricted gift	5,000
Smithsonian American Art Museum P.O. Box 37012 Washington, DC 20013	509(a)(1)	Unrestricted gift	1,500
Southern Methodist University P.O. Box 750402 Dallas, TX 75275	509(a)(1)	Unrestricted gift	2,000
Southwestern Medical Foundation 2305 Cedar Springs Rd., Suite 150 Dallas, TX 75201	509(a)(1)	Wildenthal Fund	10,000
St. John's College 1160 Camino Cruz Blanca Santa Fe, NM 87505	509(a)(1)	Unrestricted gift	6,000
TACA 1722 Routh St., #115 Dallas, TX 75201	509(a)(1)	Unrestricted gift	500
The American Hospital Of Paris Foundation 575 Madison Ave., 10th Floor New York, NY 10022	509(a)(1)	Unrestricted gift	5,000
The Crystal Charity Ball 30 Highland Park Village, Suite 206 Dallas, TX 75205	509(a)(1)	Unrestricted gift	10,000

Tom and Charlene Marsh Family Foundation
December 31, 2009 26-0177017
Form 990-PF, Part XV

Grants and Contributions Paid During the Year:

Recipient	Foundation Status	Purpose	Amount
The Hockaday School 11600 Welch Road Dallas, TX 75221	509(a)(1)	Unrestricted gift	10,000
The Lamplighter School 11611 Inwood Road Dallas, TX 75229	509(a)(1)	Unrestricted gift	2,000
The Salvation Army P.O. Box 36006 Dallas, TX 75235	509(a)(1)	Unrestricted gift	7,500
The University of Texas at Austin Main Building 400 Austin, TX 78713	509(a)(1)	Unrestricted gift	2,000
TITAS 2100 Ross Ave Suite 650 Dallas, TX 75201	509(a)(1)	Unrestricted gift	1,000
UT Southwestern University Hospital - Zale Lipshy 5151 Harry Hines Blvd. Dallas, TX 75390	509(a)(1)	Unrestricted gift	2,500
University of Texas Southwestern Medical Foundation 5323 Harry Hines Boulevard Dallas, TX 75390	509(a)(1)	2008 Sweetheart Ball	15,000
WLIW 21 New York Public Television 450 West 33rd Street New York, NY 10001	509(a)(1)	Unrestricted gift	500
			<u>370,000</u>