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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2009

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 , 20

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

PAYNE FOUNDATION
C/O TERRI LACY

A Employer identification number

73-1646678

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

600 TRAVIS, SUITE 4200

City or town, state, and ZIP code

HOUSTON, TX 77002

B Telephone number (see page 10 of the instructions)

() -

C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 1,809,720.
J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(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 page 11 of the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received (attach schedule)

2 Check ☐ if the foundation is not required to attach Sch. B.

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 128,324.

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

b Less Cost of goods sold

c Gross profit or (loss) (attach schedule)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach schedule)

c Other professional fees (attach schedule) *

17 Interest

18 Taxes (attach schedule) (see page 14 of the instructions) *

19 Depreciation (attach schedule) 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

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

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-)

36,955.

36,955.

ATCH 1

-16,869.

128,324.

20,086.

36,955.

4,026.

4,026.

5,236.

1,210.

4,026.

78,350.

78,350.

83,586.

1,210.

82,376.

-63,500.

35,745.

-0-

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. * ATCH 2 JSA ** ATCH 3

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Operating and Administrative Expenses

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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 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	131,532.	175,852.	175,852.
	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 page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) ATCH 4	1,777,370.	1,669,550.	1,633,868.
	c Investments - corporate bonds (attach schedule).			
	11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments - mortgage loans				
13 Investments - other (attach schedule)				
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 the instructions Also, see page 1, item I)	1,908,902.	1,845,402.	1,809,720.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	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, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,908,902.	1,845,402.	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,908,902.	1,845,402.	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,908,902.	1,845,402.		

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	1,908,902.
2 Enter amount from Part I, line 27a	2	-63,500.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,845,402.
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	1,845,402.

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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 shs. MLC Co.)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE				
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			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (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	-16,869.
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 pages 13 and 17 of 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 page 18 of 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 (col. (b) divided by col. (c))
2008	114,823.	1,945,441.	0.059022
2007	107,211.	2,278,325.	0.047057
2006	109,707.	2,096,865.	0.052320
2005	101,483.	2,015,669.	0.050347
2004	94,294.	1,952,390.	0.048297

2 Total of line 1, column (d)	2	0.257043
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	0.051409
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,583,750.
5 Multiply line 4 by line 3	5	81,419.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	357.
7 Add lines 5 and 6	7	81,776.
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 on page 18.	8	82,376.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		1	357.
Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)			
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			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3 Add lines 1 and 2		3	357.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	357.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6 a	520.	
b Exempt foreign organizations-tax withheld at source	6 b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6 c	0.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	520.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	163.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input checked="" type="checkbox"/> 163. Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?		X
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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
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?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV.	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/>		
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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)(13)? If "Yes," attach schedule (see page 20 of the 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?	13		
Website address <input type="checkbox"/> N/A				
14	The books are in care of <input type="checkbox"/> TERRI LACY Telephone no <input type="checkbox"/>			
Located at <input type="checkbox"/> 600 TRAVIS, SUITE 4200, HOUSTON, TX ZIP + 4 <input type="checkbox"/> 77002				
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		

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 checked="" type="checkbox"/> Yes <input 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 page 20 of the instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here		
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 2009?	1c	X
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years <input type="checkbox"/>		
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 page 20 of the instructions)	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/>		
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)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
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?	4b	X

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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 page 22 of the 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 page 22 of the instructions)? ☐ Yes ☒ No
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
- b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
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? ☐ Yes ☒ No
- b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

5b		X
6b		X
7b		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 page 22 of the 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
ATTACHMENT 5		-0-	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the 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				

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

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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 page 23 of the 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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See page 24 of the 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 page 24 of the 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	1,467,291.
b	Average of monthly cash balances	1b	140,577.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	1,607,868.
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	0.
3	Subtract line 2 from line 1d	3	1,607,868.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	24,118.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,583,750.
6	Minimum investment return. Enter 5% of line 5	6	79,188.

Part XI Distributable Amount (see page 25 of the 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	79,188.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	357.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	357.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	78,831.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	78,831.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	78,831.

Part XII Qualifying Distributions (see page 25 of the 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	82,376.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	82,376.
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 page 26 of the instructions)	5	357.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	82,019.

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				78,831.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 07, 20 06, 20 05				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				6,082.
d From 2007				
e From 2008				18,589.
f Total of lines 3a through e	24,671.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 82,376.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				78,831.
e Remaining amount distributed out of corpus	3,545.			
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	28,216.			
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	28,216.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				6,082.
c Excess from 2007				
d Excess from 2008				18,589.
e Excess from 2009				3,545.

Form 990-PF (2009)

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1 a 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

4942(j)(3) or

4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the 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))

CAROLYN PAYNE, LEON M PAYNE, JR., MIRIAM PAYNE PRIOLEAU

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 page 28 of the 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.

N/A

c Any submission deadlines

N/A

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

N/A

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)				
a <i>Paid during the year</i> SEE STATEMENT				78,350.
Total.			▶ 3a	78,350.
b <i>Approved for future payment</i>				
Total.			▶ 3b	

Form 990-PF (2009)

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

		Yes	No
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		X
	(2) Other assets		X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		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.		

[illegible]

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.

Sign Here	Signature of officer or trustee <u>Ken L. Payer</u>		Date <u>5-17-10</u>		Title <u>Officer</u>	
	Preparer's signature <u>[Signature]</u>		Date <u>MAY 13 2010</u>		Check if self-employed <input type="checkbox"/>	
Paid Preparer's Use Only	Preparer's identifying number (See Signature on page 30 of the instructions) <u>P00366963</u>					
	Firm's name (or yours if self-employed), address, and ZIP code <u>MARGOLIS, PHIPPS & WRIGHT P.C.</u> <u>1400 POST OAK BLVD., STE 900</u> <u>HOUSTON, TX 77056-3009</u>			EIN <u>76-0324056</u> Phone no <u>713-625-3500</u>		

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
43,022.		SEE STATEMENT ATTACHED 014-09477-5 PROPERTY TYPE: SECURITIES 42,615.				P	VAR 407.	VAR
58,000.		SEE STATEMENT ATTACHED 014-09477-5 PROPERTY TYPE: SECURITIES 62,645.				P	VAR -4,645.	VAR
17,747.		SEE STATEMENT ATTACHED 014-14229-3 PROPERTY TYPE: SECURITIES 24,941.				P	VAR -7,194.	VAR
9,555.		SEE STATEMENT ATTACHED 014-14229-3 PROPERTY TYPE: SECURITIES 14,992.				P	VAR -5,437.	VAR
TOTAL GAIN (LOSS)							<u>-16,869.</u>	

ATTACHMENT 1FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GOLDMAN SACHS DIVIDENDS	36,405.	36,405.
GOLDMAN SACHS INTEREST	550.	550.
TOTAL	<u>36,955.</u>	<u>36,955.</u>

ATTACHMENT 2FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GS MANAGEMENT FEES	815.	815.
ADMINISTRATIVE EXPENSES	50.	50.
TOTALS	<u>865.</u>	<u>865.</u>

ATTACHMENT 3FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FOREIGN TAX WITHHELD	345.	345.
TOTALS	<u>345.</u>	<u>345.</u>

FORM 990PF, PART II - CORPORATE STOCKATTACHMENT 4

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GOLDMAN SACHS CORE FIXED INC	465,642.	428,985.
GOLDMAN SACHS HIGH YIELD	91,396.	93,214.
GOLDMAN SACHS LARGE CAP VALUE	294,448.	269,440.
GOLDMAN SACHS MID CAP VALUE	23,000.	28,383.
EXXON MOBIL CORP	29,770.	47,051.
ISHARES RUSSEL 2000 FUND		
GOLDMAN SACHS GROUP- S&P 500	200,000.	195,874.
ISHARES TR-ISHARES MSCI EAFE	47,817.	66,336.
GOLDMAN SACHS GROUP- MSCI EAFE	150,000.	143,943.
GOLDMAN SACHS ALL CAP GROWTH	287,284.	279,324.
STNDARDS & POOR DEP RCPTS SPDR		
GS - COMMON STOCK (THORNBURG)	80,193.	81,318.
TOTALS	<u>1,669,550.</u>	<u>1,633,868.</u>

PAYNE FOUNDATION

73-1646678

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 5

TITLE AND AVERAGE HOURS PER
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

CAROLYN W. PAYNE
C/O TERRI LACY
600 TRAVIS, SUITE 4200

OFFICER

LEON PAYNE, JR.
C/O TERRI LACY
600 TRAVIS, SUITE 4200

OFFICER

MIRIAM PAYNE PRIOLEAU
C/O TERRI LACY
600 TRAVIS, SUITE 4200

OFFICER

JULIE PAYNE
C/O TERRI LACY
600 TRAVIS, SUITE 4200

DIRECTOR

CHARLIE PRIOLEAU
C/O TERRI LACY
600 TRAVIS, SUITE 4200

DIRECTOR

GRAND TOTALS

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► **Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

OMB No 1545-0092

2009

Name of estate or trust **PAYNE FOUNDATION**
C/O TERRI LACY

Employer identification number
73-1646678

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	-6,787.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ►	5	-6,787.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	-10,082.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ►	12	-10,082.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2009

Part III Summary of Parts I and II**Caution:** Read the instructions *before* completing this part

		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		-6,787.
14	Net long-term gain or (loss):			
a	Total for year	14a		-10,082.
b	Unrecaptured section 1250 gain (see line 18 of the wrkshet)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a	15		-16,869.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of	16	(3,000)
a	The loss on line 15, column (3) or b \$3,000		

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0-	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,300	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (15)	30	
31	Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Schedule D (Form 1041) 2009

**Continuation Sheet for Schedule D
(Form 1041)**

OMB No. 1545-0092

2009

► See instructions for Schedule D (Form 1041).

► Attach to Schedule D to list additional transactions for lines 1a and 6a.

Name of estate or trust

Employer Identification number

PAYNE FOUNDATION

73-1646678

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

[illegible]

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b

-6,787.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2009

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

Description	ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT	AMOUNT
SMALL STEPS NURTURING CENTER	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
INTERFACE MINISTRIES	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
THE SALVATION ARMY	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
PLANNED PARENTHOOD OF HOUSTON AND SOUTHEAST TEXAS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
MAKE-A-WISH FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
HUGUENOT SOCIETY OF SOUTH CAROLINA	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,000
EPISCOPAL HIGH SCHOOL-ANNFND	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
FRASERS FRIENDS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
GOODFELLOWS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
STAR OF HOPE MISSION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
CHRIST CHURCH CATHEDRAL	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
SENIORS PLACE	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
CANDLELIGHTERS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
ST LUKES CENTER FOR COUNSELING AND LIFE ENRICHMENT	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,000
BROWN UNIVERSITY	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
HOUSTON PI BETA PHI FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
THE MUSEUM OF FINE ARTS, HOUSTON	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
TEXAS HEART INSTITUTE	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
THE CHILDRENS FUND	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
HOUSTON BALLET FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	3,100
BEAR-CHANGE IS GOOD	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
NEIGHBORHOOD CENTERS INC	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
ST JOHN THE DIVINE EPISCOPAL CHURCH	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
THE CHINQUAPIN SCHOOL	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
PATHWAYS FOR LITTLE FEET	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
ST JOHNS SCHOOL	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	20,000
PATHWAYS YOUTH AND FAMILY SERVICES	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	750
					<u>78,350</u>

Payne Foundation 014-09477-5
From 01-Jan-2009 To 31-Dec-2009

Realized Gains/Losses

Symbol	Description	Trade Date	Date Sold / Covered	Qty	Proceeds	Cost	Gain/Loss	Gain Type
IWM	ISHARES RUSSELL 2000 INDEX FUND	20-Nov-08	3-Jun-09	250	12,952	9,895	3,057	Short-Term
SPY	SPDR S&P 500 ETF TRUST SPDR	20-Nov-08	3-Jun-09	130	12,070	10,011	2,060	Short-Term
GALLX	GOLDMAN SACHS ALL CAP GROWTH MUTUAL FUND - CL A	25-Jul-08	3-Jun-09	2,200 49	18,000	22,709	(4,709)	Short-Term
TOTAL SHORT TERM					43,022	42,615	408	
GSLAX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	19-Dec-02	3-Jun-09	224 719	2,000	2,013	(13)	Long-Term
GCFIX	GOLDMAN SACHS CORE FIXED-INC A MUTUAL FUND CLASS A	19-Dec-02	24-Nov-09	4,223 87	40,000	43,041	(3,041)	Long-Term
GSHAX	GOLDMAN SACHS HIGH YIELD A MUTUAL FUND CLASS A	13-Jan-03	3-Jun-09	855 243	5,123	5,901	(778)	Long-Term
GSHAX	GOLDMAN SACHS HIGH YIELD A MUTUAL FUND CLASS A	16-Jan-03	3-Jun-09	814 206	4,877	5,618	(741)	Long-Term
GSHIX	GOLDMAN SACHS HIGH YIELD INSTL MUTUAL FUND CLASS I	16-Jan-03	24-Nov-09	878 477	6,000	6,072	(72)	Long-Term
TOTAL LONG TERM					58,000	62,645	(4,645)	
GRAND TOTAL					101,022	105,260	(4,238)	

Realized Gains/Losses

Symbol	Description	Trade Date	Date Sold / Covered	Qty	Proceeds	Cost	Gain/Loss	Gain Type
NVO	NOVO-NORDISK A/S ADR ADR CMN	4-Jun-08	7-Jan-09	5	271	326	(55) Short-Term	
	SUNCOR ENERGY INC CMN	20-Aug-08	15-Jan-09	5	100	278	(178) Short-Term	
	SUNCOR ENERGY INC CMN	29-Jul-08	15-Jan-09	7	139	367	(227) Short-Term	
	SUNCOR ENERGY INC CMN	25-Jul-08	15-Jan-09	9	179	483	(304) Short-Term	
CHL	CHINA MOBILE LIMITED SPONSORED ADR CMN	4-Jun-08	16-Jan-09	3	133	218	(85) Short-Term	
NVS	NOVARTIS AG-ADR SPONSORED ADR CMN	4-Jun-08	16-Jan-09	5	236	262	(26) Short-Term	
HLPPY	HANG LUNG PPTYS LTD SPONSORED ADR CMN	4-Jun-08	20-Jan-09	5	55	93	(38) Short-Term	
VOD	VODAFONE GROUP PLC SPONSORED ADR CMN	4-Jun-08	21-Jan-09	14	258	424	(166) Short-Term	
HLPPY	HANG LUNG PPTYS LTD SPONSORED ADR CMN	4-Jun-08	22-Jan-09	8	87	150	(63) Short-Term	
HLPPY	HANG LUNG PPTYS LTD SPONSORED ADR CMN	4-Jun-08	23-Jan-09	5	54	93	(39) Short-Term	
SWCEY	SWISS REINSURANCE SPONSORED ADR CMN	4-Jun-08	26-Jan-09	10	265	752	(488) Short-Term	
TEF	TELEFONICA S.A. ADR SPONSORED ADR CMN	4-Jun-08	27-Jan-09	3	169	250	(80) Short-Term	
SWCEY	SWISS REINSURANCE SPONSORED ADR CMN	4-Jun-08	27-Jan-09	9	236	676	(440) Short-Term	
HLPPY	HANG LUNG PPTYS LTD SPONSORED ADR CMN	4-Jun-08	29-Jan-09	10	108	187	(79) Short-Term	
RHBY	ROCHE HOLDING AG ADR B SHS(NOM CHF 100) VAL 224 184	4-Jun-08	29-Jan-09	13	459	575	(116) Short-Term	
TEF	TELEFONICA S.A. ADR SPONSORED ADR CMN	4-Jun-08	29-Jan-09	4	224	333	(109) Short-Term	
CAJ	CANON INC ADR ADR CMN	4-Jun-08	5-Feb-09	39	1,069	2,091	(1,022) Short-Term	
AXAHY	AXA-UAP AMERICAN DEPOSITARY SHARES	4-Jun-08	20-Feb-09	41	432	1,371	(939) Short-Term	
TEVA	TEVA PHARMACEUTICAL IND LTD ADS	4-Jun-08	12-Mar-09	5	222	222	(0) Short-Term	
CHL	CHINA MOBILE LIMITED SPONSORED ADR CMN	4-Jun-08	12-Mar-09	6	260	436	(176) Short-Term	
EONGY	E ON AG SPONSORED ADR CMN	4-Jun-08	13-Mar-09	29	680	2,034	(1,344) Short-Term	
RHBY	ROCHE HOLDING AG ADR B SHS(NOM CHF 100) VAL 224 184	4-Jun-08	16-Mar-09	5	155	221	(67) Short-Term	
BIDU	BAIDU, INC SPONSORED ADR CMN	16-Jan-09	24-Mar-09	1	195	113	82 Short-Term	
NSRGY	NESTLE SA SPONSORED ADR (REP 1/20 CHF 10 REGD SHS)	4-Jun-08	31-Mar-09	6	200	297	(96) Short-Term	
NVO	NOVO-NORDISK A/S ADR ADR CMN	4-Jun-08	2-Apr-09	2	98	131	(32) Short-Term	
CHL	CHINA MOBILE LIMITED SPONSORED ADR CMN	4-Jun-08	2-Apr-09	3	129	218	(89) Short-Term	
NVO	NOVO-NORDISK A/S ADR ADR CMN	4-Jun-08	3-Apr-09	7	303	457	(154) Short-Term	
KGFHY	KINGFISHER PLC SPONSORED ADR CMN	4-Jun-08	6-Apr-09	34	166	184	(18) Short-Term	
WMMVY	WAL-MART DE MEXICO SAB DE CV SPONSORED ADR REPSTG SER V SHS	4-Jun-08	14-Apr-09	5	140	221	(80) Short-Term	
NTDOY	NINTENDO CO LTD (NEW) ADR ADR CMN	4-Jun-08	15-Apr-09	5	172	348	(174) Short-Term	
BIDU	BAIDU, INC SPONSORED ADR CMN	16-Jan-09	16-Apr-09	1	200	113	87 Short-Term	
BIDU	BAIDU, INC SPONSORED ADR CMN	16-Jan-09	20-Apr-09	1	200	113	88 Short-Term	
WMMVY	WAL-MART DE MEXICO SAB DE CV SPONSORED ADR REPSTG SER V SHS	4-Jun-08	21-Apr-09	8	234	353	(118) Short-Term	
LVMUY	LVMH MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	7-Nov-08	21-Apr-09	14	198	180	18 Short-Term	
SAP	SAP AG (SPON ADR)	4-Jun-08	23-Apr-09	5	199	270	(71) Short-Term	
TOT	TOTAL SA SPONSORED ADR CMN	16-Jun-08	30-Apr-09	17	846	1,382	(536) Short-Term	
TOT	TOTAL SA SPONSORED ADR CMN	24-Jun-08	30-Apr-09	6	299	491	(193) Short-Term	
CCL	CARNIVAL CORPORATION CMN	4-Jun-08	4-May-09	5	145	193	(47) Short-Term	
NBG	NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	6-May-09	44	205	473	(268) Short-Term	
ARMH	ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	6-May-09	38	202	234	(32) Short-Term	
BNPQY	BNP PARIBAS SPONSORED ADR CMN	4-Jun-08	7-May-09	7	210	343	(132) Short-Term	
VOD	VODAFONE GROUP PLC SPONSORED ADR CMN	4-Jun-08	27-May-09	51	958	1,545	(587) Short-Term	
VOD	VODAFONE GROUP PLC SPONSORED ADR CMN	26-Jun-08	27-May-09	10	188	278	(91) Short-Term	
DANOY	DANONE SPONSORED ADR CMN	4-Jun-08	28-May-09	15	150	259	(109) Short-Term	
HLPPY	HANG LUNG PPTYS LTD SPONSORED ADR CMN	4-Jun-08	3-Jun-09	18	306	338	(31) Short-Term	
DANOY	DANONE SPONSORED ADR CMN	13-Feb-09	22-Jun-09	15	144	147	(3) Short-Term	
CHL	CHINA MOBILE LIMITED SPONSORED ADR CMN	8-Oct-08	13-Jul-09	4	187	179	8 Short-Term	
BIDU	BAIDU, INC SPONSORED ADR CMN	16-Jan-09	20-Jul-09	1	335	113	222 Short-Term	
HKXXCY	HONG KONG EXCHANGES & CLEARING UNSPONSORED ADR CMN	13-Mar-09	29-Jul-09	13	239	103	136 Short-Term	
INFY	INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN -	4-Feb-09	4-Aug-09	3	135	81	53 Short-Term	
	GAM HOLDING LTD UNSPONSORED ADR CMN	29-Oct-08	25-Aug-09	20	206	137	69 Short-Term	
LVMUY	LVMH MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	7-Nov-08	26-Aug-09	15	289	193	96 Short-Term	
PBR	PETROLEO BRASILEIRO S.A. - PET SPONSORED ADR CMN	26-May-09	1-Sep-09	16	624	663	(38) Short-Term	
PBR	PETROLEO BRASILEIRO S.A. - PET SPONSORED ADR CMN	3-Jun-09	1-Sep-09	4	156	166	(10) Short-Term	
INFY	INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN -	4-Feb-09	9-Sep-09	5	234	135	98 Short-Term	
BIDU	BAIDU, INC SPONSORED ADR CMN	27-Jan-09	9-Sep-09	2	725	230	495 Short-Term	
INFY	INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN -	4-Feb-09	23-Sep-09	8	391	217	174 Short-Term	
ITUB	ITAU UNIBANCO BANCO HLDNG S.A SPONSORED ADR PFD USD0 0728	26-May-09	2-Oct-09	11	222	155	67 Short-Term	
MON	MONSANTO COMPANY CMN	11-Mar-09	7-Oct-09	6	448	484	(36) Short-Term	
MON	MONSANTO COMPANY CMN	3-Apr-09	7-Oct-09	2	149	162	(12) Short-Term	
INFY	INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN -	4-Feb-09	9-Oct-09	4	190	108	81 Short-Term	
INFY	INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN -	9-Feb-09	9-Oct-09	4	190	117	73 Short-Term	
CNQ	CANADIAN NATURAL RESOURCES CMN	20-Aug-09	20-Oct-09	1	73	58	15 Short-Term	
ITUB	ITAU UNIBANCO BANCO HLDNG S.A SPONSORED ADR PFD USD0 0728	26-May-09	20-Oct-09	17	346	239	108 Short-Term	
LVMUY	LVMH MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	7-Nov-08	21-Oct-09	14	305	180	125 Short-Term	
SCCO	SOUTHERN COPPER CORPORATION CMN	17-Jul-09	27-Oct-09	6	202	137	65 Short-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	17-Nov-08	13-Nov-09	42	104	297	(193) Short-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	26-Jan-09	13-Nov-09	9	22	55	(33) Short-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	26-Jan-09	18-Nov-09	11	27	67	(41) Short-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	27-Jan-09	18-Nov-09	24	58	148	(88) Short-Term	
TOTAL SHORT TERM					17,747	24,941	(7,193)	
NBG	NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	12-Jun-09	42	242	452	(210) Long-Term	
DANOY	DANONE SPONSORED ADR CMN	4-Jun-08	22-Jun-09	97	932	1,873	(741) Long-Term	
AMX	AMERICA MOVIL SAB DE CV SPONSORED ADR CMN SERIES L	4-Jun-08	23-Jun-09	10	353	570	(217) Long-Term	
NTDOY	NINTENDO CO LTD (NEW) ADR ADR CMN	4-Jun-08	2-Jul-09	7	240	484	(244) Long-Term	
CHL	CHINA MOBILE LIMITED SPONSORED ADR CMN	4-Jun-08	13-Jul-09	18	843	1,309	(466) Long-Term	
LFC	CHINA LIFE INSUR CO LTD (CHINA SPONSORED ADR CMN	4-Jun-08	20-Jul-09	2	129	116	12 Long-Term	
HNNMY	HENNES & MAURITZ AB ADR CMN	10-Jun-08	21-Jul-09	17	178	188	(11) Long-Term	
HNNMY	HENNES & MAURITZ AB ADR CMN	10-Jun-08	24-Jul-09	26	287	288	(0) Long-Term	
ERJ	EMBRAER-BRAZILIAN AVIATION ADR PFD ONE ADR = 4 COMMON SHARES	4-Jun-08	11-Aug-09	7	164	248	(82) Long-Term	
BNPQY	BNP PARIBAS SPONSORED ADR CMN	4-Jun-08	11-Aug-09	5	189	245	(56) Long-Term	
BNPQY	BNP PARIBAS SPONSORED ADR CMN	4-Jun-08	12-Aug-09	5	196	245	(49) Long-Term	
TKC	TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	12-Aug-09	12	192	228	(34) Long-Term	
NBG	NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	13-Aug-09	33	184	355	(160) Long-Term	
RCI	ROGERS COMMUNICATIONS INC CMN CLASS B	4-Jun-08	20-Aug-09	8	218	329	(111) Long-Term	
RCI	ROGERS COMMUNICATIONS INC CMN CLASS B	4-Jun-08	21-Aug-09	8	219	329	(108) Long-Term	
RCI	ROGERS COMMUNICATIONS INC CMN CLASS B	4-Jun-08	24-Aug-09	16	441	658	(217) Long-Term	
KMTUY	KOMATSU LTD ADR (NEW) SPONSORED GDS CMN	4-Jun-08	24-Aug-09	4	283	520	(237) Long-Term	
RCI	ROGERS COMMUNICATIONS INC CMN CLASS B	4-Jun-08	25-Aug-09	8	221	329	(108) Long-Term	
SBMRY	SABMiller PLC SPONSORED ADR	4-Jun-08	10-Sep-09	17	409	442	(33) Long-Term	
SNN	SMITH & NEPHEW PLC ADR CMN	10-Jul-08	11-Sep-09	3	143	162	(19) Long-Term	
AQUY	AIR LIQUIDE ADR ADR CMN	4-Jun-08	2-Oct-09	41	882	1,084	(212) Long-Term	
AQUY	AIR LIQUIDE ADR ADR CMN	4-Jun-08	5-Oct-09	11	238	284	(55) Long-Term	
NOK	NOKIA CORP SPON ADR SPONSORED ADR CMN	4-Jun-08	15-Oct-09	17	233	484	(230) Long-Term	
NBG	NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	19-Oct-09	23	184	247	(63) Long-Term	
ARMH	ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	20-Oct-09	50	397	308	89 Long-Term	
LOGI	LOGITECH INTERNATIONAL SA ORD CMN	4-Jun-08	23-Oct-09	11	208	357	(150) Long-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	31-Oct-08	12-Nov-09	19	48	148	(98) Long-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	29-Oct-08	12-Nov-09	20	50	137	(87) Long-Term	
GMHLY	GAM HOLDING LTD UNSPONSORED ADR CMN	31-Oct-08	13-Nov-09	23	57	178	(120) Long-Term	
POT	POTASH CORP OF SASKATCHEWAN CMN	4-Jun-08	18-Nov-09	2	227	417	(190) Long-Term	
NTDOY	NINTENDO CO LTD (NEW) ADR ADR CMN	4-Jun-08	3-Dec-09	21	614	1,452	(838) Long-Term	
NOK	NOKIA CORP SPON ADR SPONSORED ADR CMN	4-Jun-08	18-Dec-09	27	345	736	(392) Long-Term	
TOTAL LONG TERM					9,555	14,992	(5,437)	
GRAND TOTAL					27,302	39,933	(12,631)	