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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

08/01, 2009, and ending

12/31, 2009

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

DLM FOUNDATION, INC.

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

P.O. BOX 55289

City or town, state, and ZIP code

HOUSTON, TX 77255-5289

A Employer identification number

74-3016292

B Telephone number (see page 10 of the instructions)

(713) 266-4131

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 foundation

I Fair market value of all assets at end

of year (from Part II, col (c), line

16) ▶ \$ 1,902,846.

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)
Revenue				
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	12,196.	12,196.		ATCH 1
4 Dividends and interest from securities	14,652.	14,652.		ATCH 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	26,277.			
b Gross sales price for all assets on line 6a	393,695.			
7 Capital gain net income (from Part IV, line 2)		26,277.		
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)	252.	252.		ATCH 3
12 Total. Add lines 1 through 11	53,377.	53,377.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) ATCH 4	3,275.	3,275.	0.	0.
c Other professional fees (attach schedule)				
17 Interest	168.	168.		
18 Taxes (attach schedule) (see page 14 of the instructions)	4,505.	13.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	3,560.			3,560.
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 6	3,254.	3,254.		
24 Total operating and administrative expenses. Add lines 13 through 23	14,762.	6,710.	0.	3,560.
25 Contributions, gifts, grants paid	66,700.			66,700.
26 Total expenses and disbursements. Add lines 24 and 25	81,462.	6,710.	0.	70,260.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-28,085.			
b Net investment income (if negative, enter -0-)		46,667.		
c Adjusted net income (if negative, enter -0-)			-0-	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

JSA ** ATCH 5

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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	1,048,885.	737,017.	737,017.
	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 <u>ATCH 7</u>		1,229.	1,229.
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) <u>ATCH 8</u>	326,474.	613,026.	672,100.
	c Investments - corporate bonds (attach schedule) <u>ATCH 9</u>	337,676.	327,797.	351,619.
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule) <u>ATCH 10</u>	135,000.	140,881.	140,881.
	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)	1,848,035.	1,819,950.	1,902,846.	
Liabilities	17 Accounts payable and accrued expenses	0.	0.	
	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)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ 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. ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg. and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,848,035.	1,819,950.	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,848,035.	1,819,950.	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,848,035.	1,819,950.		

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	1,848,035.
2 Enter amount from Part I, line 27a	2	-28,085.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,819,950.
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	1,819,950.

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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) 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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	26,277.	
If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7					
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3		
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.					

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.

(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	114,286.	1,892,491.	0.060389
2007	168,308.	2,109,655.	0.079780
2006			
2005			
2004			
2 Total of line 1, column (d)			2 0.140169
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 0.070085
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 1,854,731.
5 Multiply line 4 by line 3			5 129,989.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 467.
7 Add lines 5 and 6			7 130,456.
8 Enter qualifying distributions from Part XII, line 4			8 70,260.

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.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		1	933.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ 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	933.
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	933.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,229.	
b Exempt foreign organizations-tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	1,229.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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	296.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	296.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		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)? 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 \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a 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? If "Yes," attach the statement required by General Instruction T.		X
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	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) TX,		
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)		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	X	

Website address **N/A**

14 The books are in care of **MARIO GARCIA** Telephone no **713-266-4131**
 Located at **P.O. BOX 55289 HOUSTON, TX** ZIP + 4 **77255-5289**

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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ 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) ☐ Yes ☒ 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		
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? ☐ Yes ☒ No If "Yes," list the years 2a		
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 2c		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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)

5 a 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)? **5 b** ☐ 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? **ATTACHMENT 11** ☒ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6 a 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? **6 b** ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870

7 a 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? **7 b** ☐ Yes ☒ No

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 12		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	435,425.
b	Average of monthly cash balances	1b	953,569.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	493,982.
d	Total (add lines 1a, b, and c)	1d	1,882,976.
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	1,882,976.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	28,245.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,854,731.
6	Minimum investment return. Enter 5% of line 5	6	92,737.

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	92,737.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	933.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	933.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	91,804.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	91,804.
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	91,804.

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	70,260.
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	70,260.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	70,260.

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				91,804.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
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				
d From 2007 66,618.				
e From 2008 20,132.				
f Total of lines 3a through e	86,750.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 70,260.				
a Applied to 2008, but not more than line 2a			0.	
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				70,260.
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))	21,544.			21,544.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	65,206.			
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			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
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	65,206.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007 45,074.				
d Excess from 2008 20,132.				
e Excess from 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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					
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))

N/A

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

N/A

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

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
a <i>Paid during the year</i> ATTACHMENT 13				
Total. ▶ 3a				66,700.
b <i>Approved for future payment</i>				
Total. ▶ 3b				

Form 990-PF (2009)

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 page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion 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	12,196.	
4 Dividends and interest from securities			14	14,652.	
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			18	252.	
8 Gain or (loss) from sales of assets other than inventory			18	26,277.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory . .					
11 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)				53,377.	
13 Total. Add line 12, columns (b), (d), and (e)					53,377.

(See worksheet in line 13 instructions on page 28 to verify calculations.)

13

53,377.

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 page 29 of the instructions.)

NOT APPLICABLE

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?		Yes	No
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

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.				
	<i>Dolores E. Garcia</i> Signature of officer or trustee 11/18/10 Date Vice President Title				
Paid Preparer's Use Only	Preparer's signature <i>William K. [Signature]</i>		Date 11/5/2010	Check if self-employed ☐	Preparer's identifying number (See Signature on page 30 of the instructions)
	Firm's name (or yours if self-employed), address, and ZIP code EEPB PC 1333 WEST LOOP S. SUITE 1400 HOUSTON, TX 77027				EIN 76-0222094

Form 990-PF (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

DLM FOUNDATION, INC.

Employer identification number

74-3016292

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	26,339.
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For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2009

Employer identification number

[illegible]

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b	- 62 .
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JSA

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)	
390,572.		PUBLICLY TRADED SECURITIES PROPERTY TYPE: SECURITIES 364,233.				P	26,339.	
3,123.		PUBLICLY TRADED SECURITIES PROPERTY TYPE: SECURITIES 3,185.				P	-62.	
TOTAL GAIN(LOSS)							<u>26,277.</u>	

ATTACHMENT 1FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
BANK OF INTERNET	1,749.	1,749.
CAPITAL ONE	210.	210.
COMPASS BANK	112.	112.
INTERVEST NATIONAL BANK	2,579.	2,579.
STATE FARM BANK	1,665.	1,665.
AMERICAN EQUITY ANNUITY	5,881.	5,881.
TOTAL	<u>12,196.</u>	<u>12,196.</u>

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FIDELITY INVESTMENTS INTEREST	11,457.	11,457.
FIDELITY INVESTMENTS DIVIDENDS	3,195.	3,195.
TOTAL	<u>14,652.</u>	<u>14,652.</u>

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
MISCELLANEOUS- ADJUST STK	252.	252.
TOTALS	<u>252.</u>	<u>252.</u>

ATTACHMENT 4FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	3,275.	3,275.		
TOTALS	<u>3,275.</u>	<u>3,275.</u>	<u>0.</u>	<u>0.</u>

ATTACHMENT 5

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FOREIGN TAX WITHHELD	13.	13.
FEDERAL INCOME TAX	4,492.	
TOTALS	<u>4,505.</u>	<u>13.</u>

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT FEES	3,254.	3,254.
TOTALS	<u>3,254.</u>	<u>3,254.</u>

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

ATTACHMENT 7

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID INCOME TAX	1,229.	1,229.
TOTALS	<u>1,229.</u>	<u>1,229.</u>

FORM 990PF, PART II - CORPORATE STOCKATTACHMENT 8

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FIDELITY -STOCK	326,474.	613,026.	672,100.
TOTALS	<u>326,474.</u>	<u>613,026.</u>	<u>672,100.</u>

FORM 990PF, PART II - CORPORATE BONDSATTACHMENT 9

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FIDELITY INESTMENTS	337,676.	327,797.	351,619.
TOTALS	<u>337,676.</u>	<u>327,797.</u>	<u>351,619.</u>

FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ATTACHMENT 10</u>
			<u>ENDING FMV</u>
OTHER INVESTMENT-ANNUITY	135,000.	140,881.	140,881.
TOTALS	<u>135,000.</u>	<u>140,881.</u>	<u>140,881.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 12

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
MARIO GARCIA P.O. BOX 55289 HOUSTON, TX 77255-5289	PRESIDENT, DIRECTOR 2.00	0.	0.	0.
DOLORES E GARCIA P.O. BOX 55289 HOUSTON, TX 77255-5289	VP, DIRECTOR 1.00	0.	0.	0.
LAUREN E GARCIA P.O. BOX 55289 HOUSTON, TX 77255-5289	DIRECTOR 1.00	0.	0.	0.
GRAND TOTALS		0.	0.	0.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 13

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
AUSTIN COMMUNITY FOUNDATION PO BOX 5159 AUSTIN, TX 78763	NONE	PUBLIC CHARITY	OPERATING FUNDS TO ASSIST AUSTIN COMMUNITY FOUNDATION TO ACCOMPLISH ITS MISSION	57,500
CATHOLIC CHURCH PO BOX 5159 AUSTIN, TX 78763	NONE	PUBLIC CHARITY	OPERATING FUND AND RELIGIOUS GROUPS CONNECTED WITH THE CATHOLIC CHURCH	5,000
HAITI PARTNERSHIP PROGRAM 6500 ST STEPHEN'S DRIVE AUSTIN, TX 78746	NONE	PUBLIC CHARITY	OPERATING FUNDS TO ASSIST HAITI PARTNERSHIP PROGRAM TO ACCOMPLISH ITS MISSION	2,200
ST STEPHENS EPISCOPAL SCHOOL 6500 ST STEPHEN'S DRIVE AUSTIN, TX 78746	NONE	PUBLIC CHARITY	OPERATING FUNDS TO ASSIST ST STEPHENS EPISCOPAL SCHOOL TO ACCOMPLISH ITS MISSION	2,000
TOTAL CONTRIBUTIONS PAID				<u>66,700</u>

DLM FOUNDATION INC
Period August 1, 2009 through December 31, 2009

Description	Date of Sale	Date Acquired	Quantity	Proceeds	Cost/Share	Cost	Realized Gain/Loss
CARMAX AUTO OWNER TRSER 2008-1 CL A4A 04.79000% 02	8/25/2009	1/5/2009	15,000 00	\$15,192 19	\$0 01	\$12,051 00	\$3,141 19 Short
FORD CREDIT AUTO OWNER 2008-B CL A4A 04 95000% 03	8/31/2009	12/30/2008	15,000 00	\$15,562 50	\$0 01	\$12,360 00	\$3,202 50 Short
FORD CREDIT AUTO OWNER 2008-B CL A4A 04.95000% 03	8/31/2009	1/15/2009	25,000 00	\$25,937 50	\$0 01	\$22,531 25	\$3,406 25 Short
CLOROX CO DEL SR NT 5.95000% 10/15/2017	9/29/2009	11/19/2008	10,000 00	\$10,713 60	\$0 01	\$9,047 20	\$1,666 40 Short
SBC COMMUNICATIONS INC 5.100% 09/15/2014 GIBL NT M	9/29/2009	11/18/2008	15,000 00	\$16,076 25	\$0 01	\$14,114 99	\$1,961 26 Short
XEROX CORP SR NT 7.125% 06/15/2010 MAKE WHOLE	10/20/2009	1/21/2009	10,000 00	\$10,287 50	\$0 01	\$10,040 31	\$247 19 Short
TYCO INTL GROUP S A GTD NT 8.50000% 01/15/2019CR S	12/14/2009	1/7/2009	12,000 00	\$14,624 42	\$0 01	\$12,480 00	\$2,144 42 Short
Subtotal Bonds				\$108,393.96		\$92,624 75	\$15,769 21
BAIDU INC SPONS ADS REPR 1 ORD CLS A USD 00005	8/6/2009	6/29/2009	40	\$13,637.68	\$298.85	\$11,954 00	\$1,683 68 Short
CALUMET SPECIALTY PRODUCTS PARTNERS LPUNITS REPSTG	8/7/2009	6/10/2009	100	\$1,479 36	\$15 16	\$1,516 40	(\$37 04) Short
CALUMET SPECIALTY PRODUCTS PARTNERS LPUNITS REPSTG	8/7/2009	6/10/2009	400	\$5,917 44	\$15.17	\$6,067 20	(\$149 76) Short
AMAZON COM INC	8/17/2009	6/2/2009	125	\$10,092 15	\$85 19	\$10,648 59	(\$556 44) Short
PETROLEO BRASILEIRO SA PETROBRAS ADS EACH REP 2 CO	8/17/2009	6/29/2009	250	\$10,120 08	\$41.37	\$10,342 35	(\$222 27) Short
GENERAL ELECTRIC CO	8/19/2009	6/29/2009	850	\$11,472 14	\$11 78	\$10,010 63	\$1,461 51 Short
GUGGENHEIM SOLAR ETF	8/25/2009	6/2/2009	100	\$871 97	\$10.56	\$1,055 58	(\$183 61) Short
GUGGENHEIM SOLAR ETF	8/25/2009	6/2/2009	900	\$7,912 77	\$10.56	\$9,500 22	(\$1,587 45) Short
TECK RESOURCES LIMITED CLASS B SUB VTG COM NPV ISI	8/26/2009	6/2/2009	600	\$15,095 23	\$17 34	\$10,404 68	\$4,690 55 Short
ISHARES TR FTSE XINHUA HK CHINA 25 INDEX FD	9/1/2009	6/2/2009	275	\$10,722 25	\$38 83	\$10,677 84	\$44 41 Short
KAYNE ANDERSON ENERGY TOTAL RETURN FD INC	9/1/2009	6/2/2009	200	\$3,703 24	\$16 57	\$3,313 62	\$389 62 Short
KAYNE ANDERSON ENERGY TOTAL RETURN FD INC	9/1/2009	6/2/2009	400	\$7,406 47	\$16 58	\$6,633 25	\$773 22 Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	9/24/2009	6/2/2009	150	\$6,859 86	\$54 80	\$8,220 31	(\$1,360 45) Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	9/24/2009	6/10/2009	150	\$0 00	(\$1,360 45)	(\$1,360 45)	\$1,360 45 Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	9/24/2009	6/10/2009	50	\$2,286 62	\$58 71	\$2,935 34	(\$648 72) Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	9/24/2009	6/10/2009	50	\$0 00	(\$648 72)	(\$648 72)	\$648 72 Short
EXCEL MARITIME CARRIERS COM STK USD0.01	9/25/2009	1/6/2009	1,000 00	\$6,367 30	\$9 14	\$10,379 15	(\$4,011 85) Short
EXCEL MARITIME CARRIERS COM STK USD0.01	9/25/2009	6/29/2009	500	\$3,183 65	\$6 74	\$3,371 90	(\$188 25) Short
TERRA INDS INC EXCHANGED FOR 0953 SHARES OF CUSIP	9/25/2009	3/16/2009	400	\$14,121 79	\$27 42	\$10,967 12	\$3,154 67 Short
URS CORP NEW COM	10/13/2009	12/31/2008	150	\$6,182 34	\$40 67	\$6,099 92	\$82 42 Short
PROSHARES SHORT S&P 500 PROSHARES	10/14/2009	10/2/2009	300	\$16,363 35	\$57 97	\$17,392 22	(\$1,028 87) Short
PROSHARES ULTRA SHORT BASIC MATERIALS PROSHARES 1	10/14/2009	10/2/2009	400	\$3,856 30	\$12.03	\$4,812 68	(\$956 38) Short
THOMPSON CREEK METALS CO INC COM NPV ISIN #CA88476	10/26/2009	8/24/2009	500	\$5,693 90	\$14 68	\$7,340 95	(\$1,647 05) Short
THOMPSON CREEK METALS CO INC COM NPV ISIN #CA88476	10/26/2009	8/25/2009	100	\$1,138 78	\$13 88	\$1,387 81	(\$249 03) Short
THOMPSON CREEK METALS CO INC COM NPV ISIN #CA88476	10/26/2009	8/25/2009	200	\$2,277 56	\$13 80	\$2,759 48	(\$481 92) Short
CNINSURE INC ADS EACH REPR 20 ORD SHS	10/27/2009	10/12/2009	1	\$21 70	\$23 61	\$23 61	(\$1 91) Short
CNINSURE INC ADS EACH REPR 20 ORD SHS	10/27/2009	10/12/2009	499	\$10,830 02	\$23 63	\$11,789 39	(\$959 37) Short
DUOYUAN GLOBAL WATERINC SPONS ADR EACH REP 2 SHS U	10/27/2009	9/15/2009	50	\$1,818 75	\$31 22	\$1,560 90	\$257 85 Short
DUOYUAN GLOBAL WATERINC SPONS ADR EACH REP 2 SHS U	10/27/2009	9/15/2009	50	\$1,818 75	\$31 44	\$1,572 00	\$246 75 Short
DUOYUAN GLOBAL WATERINC SPONS ADR EACH REP 2 SHS U	10/27/2009	9/15/2009	50	\$1,821 95	\$31.22	\$1,560 90	\$261 05 Short
DUOYUAN GLOBAL WATERINC SPONS ADR EACH REP 2 SHS U	10/27/2009	9/15/2009	200	\$7,287 81	\$31 20	\$6,240 40	\$1,047 41 Short
MOSAIC CO	10/27/2009	4/16/2009	200	\$9,842 72	\$43.88	\$8,775 88	\$1,066 84 Short
YONGYE INTL INC COM	10/27/2009	8/26/2009	1,200 00	\$10,998 11	\$6 13	\$7,352 00	\$3,646 11 Short
BYD CO UNSP ADR EACHREPR 10 ORD	11/18/2009	8/26/2009	120	\$9,606 95	\$60 11	\$7,212 80	\$2,394 15 Short
BYD CO UNSP ADR EACHREPR 10 ORD	11/18/2009	9/15/2009	80	\$6,404 63	\$89 00	\$7,120 00	(\$715 37) Short

DLM FOUNDATION INC
Period August 1, 2009 through December 31, 2009

Description	Date of Sale	Date Acquired	Quantity	Proceeds	Cost/Share	Cost	Realized Gain/Loss
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	11/23/2009	6/10/2009	100	\$4,614.12	\$58.71	\$5,870.67	(\$1,256.55) Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	11/23/2009	6/10/2009	100	\$4,606.13	\$42.95	\$5,201.79	(\$595.66) Short
XTO ENERGY INC EXCHANGED FOR .7098 SHARES OF CUSIP	12/14/2009	4/16/2009	400	\$19,031.51	\$33.83	\$13,531.20	\$5,500.31 Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	12/16/2009	6/20/2009	50	\$2,409.56	\$46.32	\$2,769.39	(\$359.83) Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	12/16/2009	6/28/2009	50	\$2,409.56	\$46.32	\$2,964.63	(\$555.07) Short
PROSHARES ULTRASHORT LEHMAN BROS 20+ YR TREAS	12/16/2009	8/7/2009	100	\$4,819.13	\$53.46	\$5,345.89	(\$526.76) Short
FIRST TR ISE GLOBAL WIND ENERGY INDEX FDCOM SHS	12/21/2009	6/2/2009	600	\$9,042.12	\$15.89	\$9,532.40	(\$490.28) Short
FIRST TR ISE GLOBAL WIND ENERGY INDEX FDCOM SHS	12/21/2009	6/29/2009	100	\$1,507.02	\$14.91	\$1,491.40	\$15.62 Short
FIRST TR ISE GLOBAL WIND ENERGY INDEX FDCOM SHS	12/21/2009	6/29/2009	150	\$2,260.53	\$14.86	\$2,228.70	\$31.83 Short
Subtotal stocks				\$277,913.30		\$267,926.02	\$9,987.28
FEDL HOME LN MTG CRPSPER 2931 CL SY 8.315000% 02/15/	8/15/2009	1/27/2009	0	\$296.40	\$0.01	\$262.31	\$34.09 Short
FEDL HOME LN MTG CRPSPER 3001 CL CT 8.000000% 07/15/	8/15/2009	3/9/2009	0	\$134.79	\$0.01	\$134.79	\$0.00 Short
OPTEUM MTG ACCEP CRPSPER 2005-5 CL 2A1B 5.640% 12/2	8/25/2009	7/30/2009	0	\$511.05	\$0.01	\$408.20	\$102.85 Short
FEDL HOME LN MTG CRPSPER 2931 CL SY 8.315000% 02/15/	9/15/2009	1/27/2009	0	\$0.17	\$0.01	\$0.15	\$0.02 Short
FEDL HOME LN MTG CRPSPER 3001 CL CT 8.000000% 07/15/	9/15/2009	3/9/2009	0	\$66.92	\$0.01	\$66.92	\$0.00 Short
FEDL HOME LN MTG CRPSPER 2931 CL SY 8.315000% 02/15/	10/15/2009	1/27/2009	0	\$0.17	\$0.01	\$0.15	\$0.02 Short
OPTEUM MTG ACCEP CRPSPER 2005-5 CL 2A1B 5.640% 12/2	9/25/2009	7/30/2009	0	\$126.39	\$0.01	\$100.95	\$25.44 Short
OPTEUM MTG ACCEP CRPSPER 2005-5 CL 2A1B 5.640% 12/2	10/25/2009	7/30/2009	0	\$546.39	\$0.01	\$436.43	\$109.96 Short
FEDL HOME LN MTG CRPSPER 2931 CL SY 8.315000% 02/15/	11/15/2009	1/27/2009	0	\$0.17	\$0.01	\$0.15	\$0.02 Short
OPTEUM MTG ACCEP CRPSPER 2005-5 CL 2A1B 5.640% 12/2	11/25/2009	7/30/2009	0	\$765.32	\$0.01	\$611.30	\$154.02 Short
FEDL HOME LN MTG CRPSPER 2931 CL SY 8.315000% 02/15/	12/15/2009	1/27/2009	0	\$315.50	\$0.01	\$279.22	\$36.28 Short
FEDL HOME LN MTG CRPSPER 3001 CL CT 8.000000% 07/15/	12/15/2009	3/9/2009	0	\$43.12	\$0.01	\$43.12	\$0.00 Short
JP MORGAN MTG TRUST SER 2006-53 CL 2A4 05.500000% 0	10/25/2009	8/31/2009	0	\$267.37	\$0.01	\$241.89	\$25.48 Short
GS AUTO LOAN TRUST SER 2006-1 CL A4 05.380000% 01/1	11/15/2009	1/8/2009	0	\$275.66	\$0.01	\$257.74	\$17.92 Short
JP MORGAN MTG TRUST SER 2006-53 CL 2A4 05.500000% 0	11/25/2009	8/31/2009	0	\$268.25	\$0.01	\$242.68	\$25.57 Short
GS AUTO LOAN TRUST SER 2006-1 CL A4 05.380000% 01/1	12/15/2009	1/8/2009	0	\$376.58	\$0.01	\$352.10	\$24.48 Short
JP MORGAN MTG TRUST SER 2006-53 CL 2A4 05.500000% 0	12/25/2009	8/31/2009	0	\$270.07	\$0.01	\$244.33	\$25.74 Short
Subtotal return of capital - short-term				\$4,264.32		\$3,682.43	\$581.89
Total short-term				\$390,571.58		\$364,233.20	\$26,338.38
FEDL HOME LN MTG CRPSPER 2835 CL AE 8.500000% 07/15/	8/15/2009	12/14/2004	0	\$735.34	\$0.01	\$750.05	(\$14.71) Long
GOVT NATL MTG ASSN SER 2004-066 CL AB 8.500000% 08/	8/16/2009	12/15/2004	0	\$70.35	\$0.01	\$71.76	(\$1.41) Long
FEDL HOME LN MTG CRPSPER 2835 CL AE 8.500000% 07/15/	9/15/2009	12/14/2004	0	\$294.87	\$0.01	\$300.77	(\$5.90) Long
GOVT NATL MTG ASSN SER 2004-066 CL AB 8.500000% 08/	9/16/2009	12/15/2004	0	\$721.19	\$0.01	\$735.61	(\$14.42) Long
FEDL HOME LN MTG CRPSPER 2835 CL AE 8.500000% 07/15/	10/15/2009	12/14/2004	0	\$56.31	\$0.01	\$57.44	(\$1.13) Long
GOVT NATL MTG ASSN SER 2004-066 CL AB 8.500000% 08/	10/16/2009	12/15/2004	0	\$450.33	\$0.01	\$459.34	(\$9.01) Long
FEDL HOME LN MTG CRPSPER 2835 CL AE 8.500000% 07/15/	11/15/2009	12/14/2004	0	\$430.33	\$0.01	\$438.94	(\$8.61) Long
GOVT NATL MTG ASSN SER 2004-066 CL AB 8.500000% 08/	11/16/2009	12/15/2004	0	\$364.03	\$0.01	\$371.31	(\$7.28) Long
Subtotal return of capital - long-term				\$3,122.75		\$3,185.22	(\$62.47)

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization DLM FOUNDATION, INC.	Employer identification number 74-3016292
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 55289	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. HOUSTON, TX 77255-5289	

Check type of return to be filed (file a separate application for each return)

☐ Form 990	☐ Form 990-T (corporation)	☐ Form 4720
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 5227
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 6069
☒ Form 990-PF	☐ Form 1041-A	☐ Form 8870

- The books are in the care of ► **MARIO GARCIA**

Telephone No. ► **713 266-4131**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15, 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

► ☐ calendar year _____ or
 ► ☒ tax year beginning **08/01, 2009**, and ending **12/31, 2009**

- 2** If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☒ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	1,229.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization DLM FOUNDATION, INC.	Employer identification number 74-3016292
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 55289	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions HOUSTON, TX 77255-5289	

Check type of return to be filed (File a separate application for each return)

☐ Form 990	☒ Form 990-PF	☐ Form 1041-A	☐ Form 6069
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 4720	☐ Form 8870
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

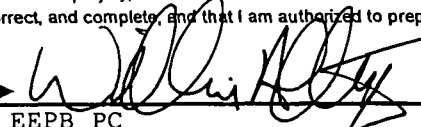
- The books are in the care of **MARIO GARCIA**
Telephone No **713 266-4131** FAX No _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until **11/15/2010**
- For calendar year _____, or other tax year beginning **08/01/2009** and ending **12/31/2009**
- If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☒ Change in accounting period
- State in detail why you need the extension **ADDITIONAL TIME IS NEEDED TO ACCUMULATE THE INFORMATION REQUIRED TO FILE A COMPLETE AND ACCURATE TAX RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$	1,229.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **CPA** Date **8/9/2010**

EEPB PC
1333 WEST LOOP S. SUITE 1400
HOUSTON, TX 77027

Form 8868 (Rev. 4-2009)