Form **990-PF**

Department of the Treasury
Internal Revenue Service (77)

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

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

OMB No 1545-0052

2009

ENVELOPE POSTMARK DATE MAY 24 2010

For calendar year 2009, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: THE HODGES FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): P O Box 1525 — Room/suite:

City or town, state, and ZIP code: Pennington NJ 08534-1525

A Employer identification number: 75-6329970

B Telephone number (see page 10 of the instructions): (609)274-6968

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)* ▶ $ 738,189

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))*

	Line	Description	(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)	7,000			
	2	Check ▶☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	0	0		
	4	Dividends and interest from securities	25,039	23,436		
	5 a	Gross rents		0		
	b	Net rental income or (loss) 0				
	6 a	Net gain or (loss) from sale of assets not on line 10	26,972			
	b	Gross sales price for all assets on line 6a 198,601				
	7	Capital gain net income (from Part IV, line 2)		26,972		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10 a	Gross sales less returns and allowances 0				
	b	Less Cost of goods sold 0				
	c	Gross profit or (loss) (attach schedule)	0			
	11	Other income (attach schedule)	2,823	2,823	0	
	12	**Total.** Add lines 1 through 11	61,834	53,231	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule)	0	0	0	0
	b	Accounting fees (attach schedule)	3,500	0	0	3,500
	c	Other professional fees (attach schedule)	7,316	6,584	0	732
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	354	233	0	0
	19	Depreciation (attach schedule) and depletion	0	0	0	
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	2,035	6	0	2,029
	24	**Total operating and administrative expenses.** Add lines 13 through 23	13,205	6,823	0	6,261
	25	Contributions, gifts, grants paid	17,100			17,100
	26	**Total expenses and disbursements** Add lines 24 and 25	30,305	6,823	0	23,361
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	31,529			
	b	**Net investment income** (if negative, enter -0-)		46,408		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	177	370	370
	2	Savings and temporary cash investments	137,604	100,725	100,725
	3	Accounts receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	4	Pledges receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	8	Inventories for sale or use		0	
	9	Prepaid expenses and deferred charges		0	
	10 a	Investments—U S and state government obligations (attach schedule)	174,684	156,746	153,758
	b	Investments—corporate stock (attach schedule)	394,559	402,835	710,442
	c	Investments—corporate bonds (attach schedule)	59,349	84,116	88,352
	11	Investments—land, buildings, and equipment basis ▶ 0			
		Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	0	0	0
	14	Land, buildings, and equipment basis ▶ 36,963			
		Less accumulated depreciation (attach schedule) ▶ 0	36,963	87,963	80,690
	15	Other assets (describe ▶)	0	0	0
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	803,336	832,755	1,134,337
Liabilities	17	Accounts payable and accrued expenses		0	
	18	Grants payable			
	19	Deferred revenue		0	
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)	0	0	
	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	803,336	832,755	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	803,336	832,755	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	803,336	832,755	

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	803,336
2	Enter amount from Part I, line 27a	2	31,529
3	Other increases not included in line 2 (itemize) ▶ PURCHASE OF ACCRUED INTEREST C/O FROM PY	3	2,289
4	Add lines 1, 2, and 3	4	837,154
5	Decreases not included in line 2 (itemize) ▶ See Attached Statement	5	4,399
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	832,755

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 Attached Statement			
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	0	0	0	0
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0

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	0	0	0	0
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0

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	26,972
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	0

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	21,393	1,237,846	0 017282
2007	51,314	1,317,469	0 038949
2006	68,199	1,084,087	0 062909
2005	74,236	969,395	0 076580
2004	54,971	758,551	0 072468

2 **Total** of line 1, column (d)	2	0 268188
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 053638
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,052,016
5 Multiply line 4 by line 3	5	56,428
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	464
7 Add lines 5 and 6	7	56,892
8 Enter qualifying distributions from Part XII, line 4	8	23,361

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)

1 a 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 letter if necessary—see instructions) 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)			1	928
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0
3 Add lines 1 and 2			3	928
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	928
6 Credits/Payments				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	690		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	262		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d			7	952
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	0
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	0
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	24
11 Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 24 **Refunded** ▶			11	0

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?	1a		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)?	1b		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*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8 a 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*	8b		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	X	

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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	X	

Website address ▶ N/A

14 The books are in care of ▶ MLTC, a Division of Bank of America, N A Telephone no ▶ 609-274-6968

Located at ▶ 1300 Merrill Lynch Drive Pennington NJ ZIP+4 ▶ 08534

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		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?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20_____ , 20_____ , 20_____ , 20_____				
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	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20_____ , 20_____ , 20_____ , 20_____				
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	N/A	
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

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)? **5b** N/A

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? N/A ☐ 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? **6b** No: X

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? **7b** No: 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
EDDIE V HODGES, SR PO BOX 193 COLEMAN TX 76834	TRUSTEE 2 00	0	0	0
NELDA R HODGES PO BOX 193 COLEMAN TX 76834	TRUSTEE 1 00	0	0	0
	00	0	0	0
	00	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 ▶ 1

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		0
		0
		0
		0
		0

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 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	0
Total. Add lines 1 through 3 ▶	0

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	973,660
b	Average of monthly cash balances	1b	94,377
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,068,037
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,068,037
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	16,021
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,052,016
6	**Minimum investment return.** Enter 5% of line 5	6	52,601

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	52,601
2a	Tax on investment income for 2009 from Part VI, line 5	2a	928		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	928
3	Distributable amount before adjustments Subtract line 2c from line 1			3	51,673
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	51,673
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	51,673

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	23,361
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	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	23,361
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	23,361

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					51,673
2 Undistributed income, if any, as of the end of 2009					
a Enter amount for 2008 only				0	
b Total for prior years 20 ___, 20 ___, 20 ___			0		
3 Excess distributions carryover, if any, to 2009					
a From 2004	NONE				
b From 2005	NONE				
c From 2006	26,903				
d From 2007	NONE				
e From 2008	NONE				
f **Total** of lines 3a through e		26,903			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 23,361					
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)			0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)		0			
d Applied to 2009 distributable amount					23,361
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))*		26,903			26,903
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		0			
b Prior years' undistributed income Subtract line 4b from line 2b			0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions			0		
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					1,409
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)		0			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a		0			
10 Analysis of line 9					
a Excess from 2005	0				
b Excess from 2006	0				
c Excess from 2007	0				
d Excess from 2008	0				
e Excess from 2009	0				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) N/A

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	0				0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0				0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0				0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))

NONE

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

NONE

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

Check here ▶ [X] 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 *Paid during the year*				
See Attached Statement				
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			▶ 3a	17,100
b *Approved for future payment*				
NONE				
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			▶ 3b	0

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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	25,039	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	26,972	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a MISC INCOME		0		3	0
b ROYALTY INCOME		0		2,820	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		54,834	0

13 Total Add line 12, columns (b), (d), and (e) 13 54,834

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
	Not Applicable

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

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	0	Not Applicable	
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		

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

Signature of officer or trustee: [signature] Date: 5-17-2010 Title: trustee

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's identifying number (see **Signature** on page 30 of the instructions)
[signature]	5/11/2010	☒	P00364310

Firm's name (or yours if self-employed), address, and ZIP code		
PRICEWATERHOUSECOOPERS LLP	EIN	13-4008324
600 GRANT STREET, PITTSBURGH 15219	Phone no	412-355-6000

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2009

Name of the organization	**Employer identification number**
THE HODGES FOUNDATION	75-6329970

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
THE HODGES FOUNDATION	75-6329970

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JOANNE KENNER, M D PO BOX 158 MINERAL WELLS TX 76068 Foreign State or Province Foreign Country	$ 7,000	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
2	Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
3	Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
4	Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
5	Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
6	Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name				Person	Business
WEST TX REHABILITATION CENTER				[ ]	[X]
Street					
City: ABILENE	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	750

Name				Person	Business
BIG COUNTRY A H E C				[ ]	[X]
Street					
City: ABILENE	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	7,000

Name				Person	Business
ABILENE WOMAN'S CLUB				[ ]	[X]
Street					
City: ABILENE	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	250

Name				Person	Business
RESCUE THE ANIMALS				[ ]	[X]
Street					
City: ABILENE	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	100

Name				Person	Business
UT SOUTHWESTERN MEDICAL				[ ]	[X]
Street					
City: DECATUR	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	3,500

Name				Person	Business
GRACE MUSEUM				[ ]	[X]
Street					
City: ABILENE	State: TX	Zip code	Foreign Country		
Relationship: NONE	Foundation Status: 501(C)(3)				
Purpose of grant/contribution: GENERAL OPERATING				Amount	500

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name: ABILENE PHILHARMONIC GUILD, INC		[ ] Person	[X] Business
Street			
City: ABILENE	State: TX	Zip code	Foreign Country
Relationship: NONE	Foundation Status: 501(C)(3)		
Purpose of grant/contribution: GENERAL OPERATING			Amount: 5,000

Name		[ ] Person	[ ] Business
Street			
City	State	Zip code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount: 0

Name		[ ] Person	[ ] Business
Street			
City	State	Zip code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount: 0

Name		[ ] Person	[ ] Business
Street			
City	State	Zip code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount: 0

Name		[ ] Person	[ ] Business
Street			
City	State	Zip code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount: 0

Name		[ ] Person	[ ] Business
Street			
City	State	Zip code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount: 0

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	

Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Securities	198,601	171,629	26,972
Other sales	0	0	0

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only) Cost	Donated Value	Expense of Sale and Cost of Improvements	Depreciation
1	X	GENL DYNAMICS CORP COM	369550108			12/12/2008		9/18/2009	643	531			
2	X	GENL DYNAMICS CORP COM	369550108			12/12/2008		2/24/2009	1,375	1,486			
3	X	FIRSTENERGY CORP	337932107			12/12/2008		9/18/2009	708	809			
4	X	FEDERAL NATL MTGE ASSN	31359MEK5			12/16/2008		1/15/2009	15,000	15,000			
5	X	FPL GROUP INC	302571104			12/9/2005		9/18/2009	549	427			
6	X	EXXON MOBIL CORP COM	30231G102			11/21/2008		9/18/2009	1,053	1,047			
7	X	DIAGEO PLC SPSD ADR NEW	25243Q205			12/12/2008		9/18/2009	645	554			
8	X	CLOROX CO DEL COM	189054109			12/12/2008		9/18/2009	580	527			
9	X	CITIGROUP	172967BW0			12/16/2008		3/10/2009	6,695	10,683			
10	X	CHEVRON CORP	166764100			11/15/2005		9/18/2009	877	696			
11	X	CHEVRON CORP	166764100			1/31/2005		9/18/2009	219	163			
12	X	CBS CORP NEW CL B	124857202			12/12/2008		1/22/2009	481	591			
13	X	CBS CORP NEW CL B	124857202			4/12/2007		1/22/2009	224	1,096			
14	X	CBS CORP NEW CL B	124857202			8/16/2006		1/22/2009	64	278			
15	X	CBS CORP NEW CL B	124857202			6/28/2006		1/22/2009	135	558			
16	X	CBS CORP NEW CL B	124857202			6/27/2006		1/22/2009	64	265			
17	X	CBS CORP NEW CL B	124857202			6/8/2006		1/22/2009	135	564			
18	X	CBS CORP NEW CL B	124857202			6/7/2006		1/22/2009	32	134			
19	X	BRISTOL-MYERS SQUIBB CO	110122108			12/12/2008		9/18/2009	790	775			
20	X	BHP BILLITON LTD ADR	088606108			12/12/2008		9/18/2009	670	401			
21	X	BERKSHIRE HATHAWAY FIN	084670AS7			1/5/2009		11/17/2009	11,832	11,300			
22	X	BANK OF AMERICA CORP	060505104			4/12/2007		1/15/2009	244	1,509			
23	X	BANK OF AMERICA CORP	060505104			8/16/2006		1/15/2009	122	787			
24	X	BANK OF AMERICA CORP	060505104			8/15/2006		1/15/2009	179	1,148			
25	X	BP PLC SPON ADR	055622104			12/12/2008		9/18/2009	544	461			
26	X	AT& T INC	00206R102			12/12/2008		9/18/2009	555	588			
27	X	AT& T INC	00206R102			4/12/2007		9/18/2009	396	581			
28	X	AT& T INC	00206R102			8/16/2006		9/18/2009	238	273			
29	X	AT& T INC	00206R102			8/16/2006		2/24/2009	23	30			
30	X	AT& T INC	00206R102			3/15/2006		2/24/2009	232	274			
31	X	AT& T INC	00206R102			12/8/2005		2/24/2009	139	149			
32	X	AT& T INC	00206R102			1/31/2005		2/24/2009	975	1,051			
33	X	WYETH	983024100			5/8/2009		10/16/2009	4,208	3,694			
34	X	WELLS FARGO & CO NEW DE	949746101			7/17/2008		9/18/2009	854	808			
35	X	VERIZON COMMUNICATNS C	92343V104			3/15/2006		9/18/2009	296	330			
36	X	VERIZON COMMUNICATNS C	92343V104			1/31/2005		9/18/2009	593	684			
37	X	V F CORPORATION	918204108			3/5/2009		9/18/2009	725	482			
38	X	U S TREASURY NOTE	912828KQ2			6/24/2009		11/17/2009	6,893	6,691			
39	X	U S TREASURY NOTE	912828HZ6			12/16/2008		2/3/2009	13,060	13,329			
40	X	U S TREASURY NOTE	912828HP8			7/13/2009		7/30/2009	7,062	7,063			
41	X	U S TREASURY NOTE	912828HK9			12/16/2008		8/7/2009	8,384	8,639			
42	X	U S TREASURY NOTE	912828HH6			12/16/2008		11/17/2009	6,502	6,752			
43	X	U S TREASURY NOTE	912828DE7			12/16/2008		6/24/2009	8,117	8,116			
44	X	U S TREASURY NOTE	9128275G3			12/16/2008		1/28/2009	7,107	7,108			
45	X	U S TREASURY BOND	912810FF0			12/16/2008		7/13/2009	6,859	7,676			
46	X	U S TREASURY BOND	912810EQ7			12/16/2008		7/30/2009	9,559	10,557			
47	X	UNILEVER NV NY REG SHS	904784709			12/12/2008		9/18/2009	285	232			
48	X	UNILEVER NV NY REG SHS	904784709			8/26/2008		9/18/2009	285	279			
49	X	UNILEVER NV NY REG SHS	904784709			8/25/2008		9/18/2009	142	140			

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	

Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Securities	198,601	171,629	26,972
Other sales	0	0	0

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only): Cost	Cost or Other Basis (Enter one field only): Donated Value	Expense of Sale and Cost of Improvements	Depreciation
50	X	TOTAL S A SP ADR	89151E109			12/27/2007		9/18/2009	610	824			
51	X	TARGET CORP	87612EAH9			12/16/2008		7/30/2009	11,965	11,242			
52	X	SEMPRA ENERGY	816851109			12/12/2008		1/26/2009	2,210	2,111			
53	X	SCHLUMBERGER LTD	806857108			8/16/2006		9/18/2009	123	126			
54	X	SCHLUMBERGER LTD	806857108			3/15/2006		9/18/2009	494	479			
55	X	ROHM AND HAAS	775371107			12/12/2008		4/2/2009	5,694	5,005			
56	X	RIO TINTO PLC SPNSRD ADR	767204100			12/12/2008		9/18/2009	898	329			
57	X	RIO TINTO PLC SPNSRD ADR	767204100			12/12/2008		2/18/2009	1,485	1,240			
58	X	RAYTHEON CO DELAWARE N	755111507			3/24/2008		9/18/2009	715	954			
59	X	PUB SVC ENTERPRISE GRP	744573106			3/6/2009		9/18/2009	799	630			
60	X	PROCTER & GAMBLE CO	742718109			12/12/2008		9/18/2009	1,432	1,449			
61	X	PROCTER & GAMBLE CO	742718109			12/12/2008		2/24/2009	898	1,043			
62	X	PROCTER & GAMBLE CO	742718109			9/18/2008		2/24/2009	1,496	2,167			
63	X	PHILIP MORRIS INTL INC	718172109			7/14/2008		9/18/2009	720	803			
64	X	OCCIDENTAL PETE CORP CA	674599105			4/12/2007		9/18/2009	619	404			
65	X	OCCIDENTAL PETE CORP CA	674599105			8/16/2006		9/18/2009	387	257			
66	X	OCCIDENTAL PETE CORP CA	674599105			1/31/2005		9/18/2009	155	59			
67	X	MCDONALDS CORP COM	580135101			4/12/2007		9/18/2009	565	468			
68	X	MARATHON OIL CORP	565849106			4/22/2005		9/18/2009	676	480			
69	X	LORILLARD INC	544147101			3/5/2009		9/18/2009	732	572			
70	X	KIMBERLY CLARK	494368103			1/31/2005		9/18/2009	580	654			
71	X	JOHNSON AND JOHNSON CC	478160104			8/16/2006		9/18/2009	306	324			
72	X	JOHNSON AND JOHNSON CC	478160104			6/20/2006		9/18/2009	184	185			
73	X	JOHNSON AND JOHNSON CC	478160104			3/15/2006		9/18/2009	122	120			
74	X	INTL BUSINESS MACHINES	459200101			6/24/2008		9/18/2009	611	618			
75	X	CVS CAREMARK CORP	126650100			4/24/2000		10/8/2009	36,170	1,770			
76													
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98													

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	

Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Securities	198,601	171,629	26,972
Other sales	0	0	0

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only) Cost	Donated Value	Expense of Sale and Cost of Improvements	Depreciation
99													
100													
101													
102													
103													
104													
105													
106													
107													
108													
109													
110													
111													
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145													
146													

Line 11 (990-PF) - Other Income

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		2,823	2,823	0
1	ROYALTY INCOME	2,820	2,820	
2	MISC INCOME	3	3	
3			0	
4			0	
5			0	
6			0	
7			0	
8			0	
9			0	
10			0	

Line 16b (990-PF) - Accounting Fees

		3,500	0	0	3,500
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	TAX PREP FEE	3,500			3,500
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

		7,316	6,584	0	732
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MLTC FEE AS AGENT	7,166	6,449		732
2	EMA FEE	150	135		
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		354	233	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	FOREIGN TAX WITHHELD	233	233		
2	TAX COLLECTOR	121			
3					
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

		2,035	6	0	2,029
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1		0	0	0	0
2	LIFE INSURANCE PREMIUM	1,000			1,000
3					
4	MISC EXPENSE	121			121
5	ADR FEE	6	6		
6	APPRASIAL FEE	637			637
7	OG APPRAISAL	196			196
8	CARD FEE	75			75
9					
10					

Part III (990-PF) - Changes in Net Assets or Fund Balances

Line 3 - Other increases not included in Part III, Line 2

1	PURCHASE OF ACCRUED INTEREST C/O FROM PY	1	2,289
2	Total	2	2,289

Line 5 - Decreases not included in Part III, Line 2

1	BOND AMORTIZATION	1	1,603
2	COST BASIS ADJUSTMENT	2	1,210
3	LOSS ON PY SALES SETTLED IN CY	3	656
4	PURCHASE OF ACCRUED INTEREST C/O TO NEXT YEAR	4	930
5	Total	5	4,399

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	0

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
					Totals	197,995	0	171,629	26,366	0	0	0	26,366
1	GENL DYNAMICS CORP COM	369550108		12/12/2008	9/18/2009	643	0	531	112			0	112
2	GENL DYNAMICS CORP COM	369550108		12/12/2008	2/24/2009	1,375	0	1,486	-111			0	-111
3	FIRSTENERGY CORP	337932107		12/12/2008	9/18/2009	708	0	809	-101			0	-101
4	FEDERAL NATL MTGE ASSN	31359MEK5		12/16/2008	1/15/2009	15,000	0	15,000	0			0	0
5	FPL GROUP INC	302571104		12/9/2005	9/18/2009	549	0	427	122			0	122
6	EXXON MOBIL CORP COM	30231G102		11/21/2008	9/18/2009	1,053	0	1,047	6			0	6
7	DIAGEO PLC SPSD ADR NEW	25243Q205		12/12/2008	9/18/2009	645	0	554	91			0	91
8	CLOROX CO DEL COM	189054109		12/12/2008	9/18/2009	580	0	527	53			0	53
9	CITIGROUP	172967BW0		12/16/2008	3/10/2009	6,695	0	10,683	-3,988			0	-3,988
10	CHEVRON CORP	166764100		11/15/2005	9/18/2009	877	0	696	181			0	181
11	CHEVRON CORP	166764100		1/31/2005	9/18/2009	219	0	163	56			0	56
12	CBS CORP NEW CL B	124857202		12/12/2008	1/22/2009	481	0	591	-110			0	-110
13	CBS CORP NEW CL B	124857202		4/12/2007	1/22/2009	224	0	1,096	-872			0	-872
14	CBS CORP NEW CL B	124857202		8/16/2006	1/22/2009	64	0	278	-214			0	-214
15	CBS CORP NEW CL B	124857202		6/28/2006	1/22/2009	135	0	558	-423			0	-423
16	CBS CORP NEW CL B	124857202		6/27/2006	1/22/2009	64	0	265	-201			0	-201
17	CBS CORP NEW CL B	124857202		6/8/2006	1/22/2009	135	0	564	-429			0	-429
18	CBS CORP NEW CL B	124857202		6/7/2006	1/22/2009	32	0	134	-102			0	-102
19	BRISTOL-MYERS SQUIBB CO	110122108		12/12/2008	9/18/2009	790	0	775	15			0	15
20	BHP BILLITON LTD ADR	088606108		12/12/2008	9/18/2009	670	0	401	269			0	269
21	BERKSHIRE HATHAWAY FIN	084670AS7		1/5/2009	11/17/2009	11,832	0	11,300	532			0	532
22	BANK OF AMERICA CORP	060505104		4/12/2007	1/15/2009	244	0	1,509	-1,265			0	-1,265
23	BANK OF AMERICA CORP	060505104		8/16/2006	1/15/2009	122	0	787	-665			0	-665
24	BANK OF AMERICA CORP	060505104		8/15/2006	1/15/2009	179	0	1,148	-969			0	-969
25	BP PLC SPON ADR	055622104		12/12/2008	9/18/2009	544	0	461	83			0	83
26	AT& T INC	00206R102		12/12/2008	9/18/2009	555	0	588	-33			0	-33
27	AT& T INC	00206R102		4/12/2007	9/18/2009	396	0	581	-185			0	-185
28	AT& T INC	00206R102		8/16/2006	9/18/2009	238	0	273	-35			0	-35
29	AT& T INC	00206R102		8/16/2006	2/24/2009	23	0	30	-7			0	-7
30	AT& T INC	00206R102		3/15/2006	2/24/2009	232	0	274	-42			0	-42
31	AT& T INC	00206R102		12/8/2005	2/24/2009	139	0	149	-10			0	-10
32	AT& T INC	00206R102		1/31/2005	2/24/2009	975	0	1,051	-76			0	-76
33	WYETH	983024100		5/8/2009	10/16/2009	4,208	0	3,694	514			0	514
34	WELLS FARGO & CO NEW DEL	949746101		7/17/2008	9/18/2009	854	0	808	46			0	46
35	VERIZON COMMUNICATNS COM	92343V104		3/15/2006	9/18/2009	296	0	330	-34			0	-34
36	VERIZON COMMUNICATNS COM	92343V104		1/31/2005	9/18/2009	593	0	684	-91			0	-91
37	V F CORPORATION	918204108		3/5/2009	9/18/2009	725	0	482	243			0	243
38	U S TREASURY NOTE	912828KQ2		6/24/2009	11/17/2009	6,893	0	6,691	202			0	202
39	U S TREASURY NOTE	912828HZ6		12/16/2008	2/3/2009	13,060	0	13,329	-269			0	-269
40	U S TREASURY NOTE	912828HP8		7/13/2009	7/30/2009	7,062	0	7,063	-1			0	-1
41	U S TREASURY NOTE	912828HK9		12/16/2008	8/7/2009	8,384	0	8,639	-255			0	-255
42	U S TREASURY NOTE	912828HH6		12/16/2008	11/17/2009	6,502	0	6,752	-250			0	-250
43	U S TREASURY NOTE	912828DE7		12/16/2008	6/24/2009	8,117	0	8,116	1			0	1
44	U S TREASURY NOTE	9128275G3		12/16/2008	1/28/2009	7,107	0	7,108	-1			0	-1
45	U S TREASURY BOND	912810FF0		12/16/2008	7/13/2009	6,859	0	7,676	-817			0	-817
46	U S TREASURY BOND	912810EQ7		12/16/2008	7/30/2009	9,559	0	10,557	-998			0	-998
47	UNILEVER NV NY REG SHS	904784709		12/12/2008	9/18/2009	285	0	232	53			0	53
48	UNILEVER NV NY REG SHS	904784709		8/26/2008	9/18/2009	285	0	279	6			0	6
49	UNILEVER NV NY REG SHS	904784709		8/25/2008	9/18/2009	142	0	140	2			0	2
50	TOTAL S A SP ADR	89151E109		12/27/2007	9/18/2009	610	0	824	-214			0	-214
51	TARGET CORP	87612EAH9		12/16/2008	7/30/2009	11,965	0	11,242	723			0	723
52	SEMPRA ENERGY	816851109		12/12/2008	1/26/2009	2,210	0	2,111	99			0	99
53	SCHLUMBERGER LTD	806857108		8/16/2006	9/18/2009	123	0	126	-3			0	-3
54	SCHLUMBERGER LTD	806857108		3/15/2006	9/18/2009	494	0	479	15			0	15
55	ROHM AND HAAS	775371107		12/12/2008	4/2/2009	5,694	0	5,005	689			0	689
56	RIO TINTO PLC SPNSRD ADR	767204100		12/12/2008	9/18/2009	898	0	329	569			0	569
57	RIO TINTO PLC SPNSRD ADR	767204100		12/12/2008	2/18/2009	1,485	0	1,240	245			0	245
58	RAYTHEON CO DELAWARE NEW	755111507		3/24/2008	9/18/2009	715	0	954	-239			0	-239
59	PUB SVC ENTERPRISE GRP	744573106		3/6/2009	9/18/2009	799	0	630	169			0	169
60	PROCTER & GAMBLE CO	742718109		12/12/2008	9/18/2009	1,432	0	1,449	-17			0	-17

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	0

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
					Totals	197,995	0	171,629	26,366	0	0	0	26,366
61	PROCTER & GAMBLE CO	742718109		12/12/2008	2/24/2009	898	0	1,043	-145			0	-145
62	PROCTER & GAMBLE CO	742718109		9/18/2008	2/24/2009	1,496	0	2,167	-671			0	-671
63	PHILIP MORRIS INTL INC	718172109		7/14/2008	9/18/2009	720	0	803	-83			0	-83
64	OCCIDENTAL PETE CORP CAL	674599105		4/12/2007	9/18/2009	619	0	404	215			0	215
65	OCCIDENTAL PETE CORP CAL	674599105		8/16/2006	9/18/2009	387	0	257	130			0	130
66	OCCIDENTAL PETE CORP CAL	674599105		1/31/2005	9/18/2009	155	0	59	96			0	96
67	MCDONALDS CORP COM	580135101		4/12/2007	9/18/2009	565	0	468	97			0	97
68	MARATHON OIL CORP	565849106		4/22/2005	9/18/2009	676	0	480	196			0	196
69	LORILLARD INC	544147101		3/5/2009	9/18/2009	732	0	572	160			0	160
70	KIMBERLY CLARK	494368103		1/31/2005	9/18/2009	580	0	654	-74			0	-74
71	JOHNSON AND JOHNSON COM	478160104		8/16/2006	9/18/2009	306	0	324	-18			0	-18
72	JOHNSON AND JOHNSON COM	478160104		6/20/2006	9/18/2009	184	0	185	-1			0	-1
73	JOHNSON AND JOHNSON COM	478160104		3/15/2006	9/18/2009	122	0	120	2			0	2
74	INTL BUSINESS MACHINES	459200101		6/24/2008	9/18/2009	611	0	618	-7			0	-7
75	CVS CAREMARK CORP	126650100		4/24/2000	10/8/2009	36,170	0	1,770	34,400			0	34,400
76						0	0	0	0			0	0
77						0	0	0	0			0	0
78						0	0	0	0			0	0
79						0	0	0	0			0	0
80						0	0	0	0			0	0
81						0	0	0	0			0	0
82						0	0	0	0			0	0
83						0	0	0	0			0	0
84						0	0	0	0			0	0
85						0	0	0	0			0	0
86						0	0	0	0			0	0
87						0	0	0	0			0	0
88						0	0	0	0			0	0
89						0	0	0	0			0	0
90						0	0	0	0			0	0
91						0	0	0	0			0	0
92						0	0	0	0			0	0
93						0	0	0	0			0	0
94						0	0	0	0			0	0
95						0	0	0	0			0	0
96						0	0	0	0			0	0
97						0	0	0	0			0	0
98						0	0	0	0			0	0
99						0	0	0	0			0	0
100						0	0	0	0			0	0
101						0	0	0	0			0	0
102						0	0	0	0			0	0
103						0	0	0	0			0	0
104						0	0	0	0			0	0
105						0	0	0	0			0	0
106						0	0	0	0			0	0
107						0	0	0	0			0	0
108						0	0	0	0			0	0
109						0	0	0	0			0	0
110						0	0	0	0			0	0
111						0	0	0	0			0	0
112						0	0	0	0			0	0
113						0	0	0	0			0	0
114						0	0	0	0			0	0
115						0	0	0	0			0	0
116						0	0	0	0			0	0
117						0	0	0	0			0	0
118						0	0	0	0			0	0
119						0	0	0	0			0	0
120						0	0	0	0			0	0

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	606
Short Term CG Distributions	0

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
					Totals	197,995	0	171,629	26,366	0	0	0	26,366
121						0	0	0	0			0	0
122						0	0	0	0			0	0
123						0	0	0	0			0	0
124						0	0	0	0			0	0
125						0	0	0	0			0	0
126						0	0	0	0			0	0
127						0	0	0	0			0	0
128						0	0	0	0			0	0
129						0	0	0	0			0	0
130						0	0	0	0			0	0
131						0	0	0	0			0	0
132						0	0	0	0			0	0
133						0	0	0	0			0	0
134						0	0	0	0			0	0
135						0	0	0	0			0	0
136						0	0	0	0			0	0
137						0	0	0	0			0	0
138						0	0	0	0			0	0
139						0	0	0	0			0	0
140						0	0	0	0			0	0
141						0	0	0	0			0	0
142						0	0	0	0			0	0
143						0	0	0	0			0	0
144						0	0	0	0			0	0
145						0	0	0	0			0	0
146						0	0	0	0			0	0

Part VII-A, Line 8b (990-PF) - Copy of Form 990-PF to Attorney General

Did the foundation furnish a copy of Form 990-PF to the State Attorney General? [ ] Yes [X] No

If "No", please provide an explanation

THIS FOUNDATION IS REGISTERED WITH THE STATE OF TEXAS, THERE IS NOT A FEDERAL OR AG FILING REQUIREMEN FOR THE STATE OF TEXAS

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

0

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours	Compensation
1	EDDIE V HODGES, SR		PO BOX 193	COLEMAN	TX	76834		TRUSTEE	2	0
2	NELDA R HODGES		PO BOX 193	COLEMAN	TX	76834		TRUSTEE	1	
3										
4										
5										
6										
7										
8										
9										
10										

0	0	
Benefits	Expense Account	Explanation

Part XVI-A, Lines 11a-11e (990-PF) - Other Revenue

		Unrelated Business Income		Excluded by Section 512, 513 or 514		
	Program Service Revenue	Business Code	Amount	Exclusion Code	Amount	Related or Exempt Function Income
1	MISC INCOME				3	
2	ROYALTY INCOME				2,820	
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Part VI, Line 6a (990-PF) - Estimated Tax Payments

		Date		Amount
1	Credit from prior year return		1	690
2	First quarter estimated tax payment		2	0
3	Second quarter estimated tax payment		3	0
4	Third quarter estimated tax payment		4	0
5	Fourth quarter estimated tax payment		5	0
6	Other payments		6	0
7	Total		7	690

Account Number: 578-11812

TOTAL MERRILL®

MERRILL LYNCH TRUST COMPANY,
A DIVISION OF BANK OF AMERICA, N.A.
AGENT OF THE
THE HODGES FOUNDATION
UAD 12/31/1984

Net Portfolio Value: $699,811.16

Your Financial Advisor:
JAMES H NEWCOMB
CENT PLZ II 2 VILLAGE DR #400
ABILENE TX 79606
james_newcomb@ml.com
(325) 691-4375

Trust Officer:
ANDREA PROCOPIO
609-274-8454

ENDOWMENT

Your Investment Manager - Private Investors/ BlackRock Eqty Div Balanced

December 01, 2009 - December 31, 2009

ASSETS

	December 31	*November 30*
Cash/Money Accounts	**34,789.14**	36,060.58
Fixed Income	**242,110.53**	248,309.50
Equities	**420,551.89**	416,057.29
Mutual Funds	-	-
Options	-	-
Other	-	-
Subtotal (Long Portfolio)	**697,451.56**	*700,427.37*
Estimated Accrued Interest	**2,359.60**	2,465.47
TOTAL ASSETS	**$699,811.16**	$702,892.84

LIABILITIES

Debit Balance	-	-
Short Market Value	-	-
NET PORTFOLIO VALUE	**$699,811.16**	$702,892.84

CASH FLOW

	This Statement	*Year to Date*
Opening Cash/Money Accounts	**$36,060.58**	
CREDITS		
Funds Received	**264.19**	2,820.35
Electronic Transfers	-	-
Other Credits	-	937.57
Subtotal	***264.19***	*3,757.92*
DEBITS		
Electronic Transfers	-	-
Other Debits	**(3,582.86)**	(42,752.76)
ML Trust Fees	**(757.66)**	(8,317.57)
Non ML Trust Fees	-	(273.84)
Bill Payment	-	-
Subtotal	***($4,340.52)***	*($51,344.17)*
Net Cash Flow	**($4,076.33)**	($47,586.25)
Dividends/Interest Income	**2,804.89**	23,727.60
Security Purchases/Debits	-	(191,219.32)
Security Sales/Credits	-	162,271.97
Closing Cash/Money Accounts	**$34,789.14**	
Securities You Transferred In/Out	-	-

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	0.09	0.09		**.09**		
CMA MONEY FUND	16,034.00	16,034.00	1.0000	**16,034.00**	**16**	.10
TOTAL		16,034.09		**16,034.09**	**16**	.10

GOVERNMENT AND AGENCY SECURITIES [1] Description	Acquired	Quantity	Adjusted/Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
Δ U.S. TREASURY NOTE *4.125% AUG 15 2010 CUSIP: 912828ED8* *ORIGINAL UNIT/TOTAL COST: 105.9143/11,650.58*	12/16/08	11,000	11,245.82	102.3400	**11,257.40**	11.58	170.16	**454**	4.03
Δ U.S. TREASURY NOTE *4.375% DEC 15 2010 CUSIP: 912828EQ9* *ORIGINAL UNIT/TOTAL COST: 107.4300/10,743.00*	12/16/08	10,000	10,358.23	103.6600	**10,366.00**	7.77	19.23	**438**	4.22
Δ FEDERAL NATL MTG ASSOC *NOTES 03.625% AUG 15 2011* *CUSIP: 31398ATL6* *ORIGINAL UNIT/TOTAL COST: 104.2485/4,169.94*	12/16/08	4,000	4,104.81	104.1880	**4,167.52**	62.71	54.78	**145**	3.47
Δ U.S. TREASURY NOTE *05.000% AUG 15 2011 CUSIP: 9128277B2* *ORIGINAL UNIT/TOTAL COST: 111.7151/13,405.82*	12/16/08	12,000	12,861.86	106.6250	**12,795.00**	(66.86)	225.00	**600**	4.68
Δ FED NAT'L MORTGAGE ASSOC *GLOBAL NOTES 04.375% SEP 15 2012* *CUSIP: 31359MPF4* *ORIGINAL UNIT/TOTAL COST: 108.2726/14,075.45*	01/28/09	13,000	13,810.20	107.0940	**13,922.22**	112.02	167.47	**569**	4.08
Δ U.S. TREASURY NOTE *1.375% NOV 15 2012 CUSIP: 912828LX6* *ORIGINAL UNIT/TOTAL COST: 100.2893/8,023.15*	11/17/09	8,000	8,022.29	99.2810	**7,942.48**	(79.81)	13.98	**110**	1.38
Δ U.S. TREASURY NOTE *3.375% NOV 30 2012 CUSIP: 912828HK9* *ORIGINAL UNIT/TOTAL COST: 109.5160/7,666.12*	12/16/08	7,000	7,494.06	105.0310	**7,352.17**	(141.89)	20.12	**237**	3.21

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

GOVERNMENT AND AGENCY SECURITIES[1] (continued) Description	Acquired	Quantity	Adjusted/Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
Δ FEDERAL HOME LN MTG CORP NOTES 04.875% NOV 15 2013 CUSIP: 3134A4UK8 ORIGINAL UNIT/TOTAL COST: 110.7565/13,290.79	12/16/08	12,000	13,031.65	109.4380	**13,132.56**	100.91	74.75	**585**	4.45
U.S. TREASURY NOTE 2.625% JUN 30 2014 CUSIP: 912828KY5	07/30/09	17,000	16,948.26	100.7270	**17,123.59**	175.33		**447**	2.60
Δ FEDERAL NATL MTG ASSOC NOTES 05.375% JUN 12 2017 CUSIP: 31398ADM1 ORIGINAL UNIT/TOTAL COST: 115.7130/12,728.44	12/16/08	11,000	12,542.12	110.8750	**12,196.25**	(345.87)	31.20	**592**	4.84
Δ U.S. TREASURY NOTE 4.250% NOV 15 2017 CUSIP: 912828HH6 ORIGINAL UNIT/TOTAL COST: 113.8168/9,105.35	12/16/08	8,000	8,989.22	104.8130	**8,385.04**	(604.18)	43.20	**340**	4.05
θ U.S. TRSY INFLATION NOTE 2.0% JAN 15 2026 INFL ADJ PRIN 13,069 CUSIP: 912810FS2 ORIGINAL UNIT/TOTAL COST: 100.3367/12,040.41	02/03/09	12,000	12,290.97	100.4300	**13,125.87**	834.90	110.22	**262**	1.99
Δ U.S. TREASURY BOND 5.25% NOV 15 2028 CUSIP: 912810FF0 ORIGINAL UNIT/TOTAL COST: 128.5317/8,997.22	12/16/08	7,000	8,922.23	108.3590	**7,585.13**	(1,337.10)	46.70	**368**	4.84
Δ U.S. TREASURY BOND 4.750% FEB 15 2037 04.750% FEB 15 2037 CUSIP: 912810PT9 ORIGINAL UNIT/TOTAL COST: 132.8910/5,315.64	12/16/08	4,000	5,284.31	102.1880	**4,087.52**	(1,196.79)	71.25	**190**	4.64
U.S. TREASURY BOND 4.250% MAY 15 2039 CUSIP: 912810QB7	06/24/09	5,000	4,859.38	93.8130	4,690.65	(168.73)	27.00	213	4.53

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

GOVERNMENT AND AGENCY SECURITIES [1] (continued) *Description*	*Acquired*	*Quantity*	*Adjusted/Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Accrued Interest*	*Estimated Annual Income*	*Current Yield%*
U.S. TREASURY BOND	11/17/09	6,000	5,981.04	93.8130	5,628.78	(352.26)	32.40	255	4.53
Subtotal		*11,000*	*10,840.42*		**10,319.43**	(520.99)	59.40	**468**	4.53
TOTAL		147,000	156,746.45		**153,758.18**	(2,988.27)	1,107.46	**5,805**	3.78

CORPORATE BONDS *Description*	*Acquired*	*Quantity*	*Adjusted/Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Accrued Interest*	*Estimated Annual Income*	*Current Yield%*
Δ CITIGROUP FUNDING INC	08/06/09	7,000	7,007.80	100.7850	**7,054.95**	47.15	9.19	**158**	2.23
FDIC TLGP GUARANTEED 02.250% DEC 10 2012									
MOODY'S: AAA S&P: AAA CUSIP: 17313YAJ0									
ORIGINAL UNIT/TOTAL COST: 100.1258/7,008.81									
Δ GENERAL ELECTRIC COMPANY	12/16/08	10,000	10,127.74	105.7960	**10,579.60**	451.86	208.33	**500**	4.72
GLB 05.000% FEB 01 2013									
MOODY'S: AA2 S&P: AA+ CUSIP: 369604AY9									
ORIGINAL UNIT/TOTAL COST: 101.6700/10,167.00									
JPMORGAN CHASE & CO	12/16/08	12,000	11,373.60	105.4760	**12,657.12**	1,283.52	181.08	**615**	4.85
SUBORDINATED GLB 05.125% SEP 15 2014									
MOODY'S: A1 S&P: A CUSIP: 46625HBV1									
BP CAPITAL MARKETS PLC	03/10/09	9,000	8,900.10	102.7410	**9,246.69**	346.59	106.56	**349**	3.77
COMPANY GUARNT GLB 03.875% MAR 10 2015									
MOODY'S: AA1 S&P: AA< CUSIP: 05565QBH0									
GOLDMAN SACHS GROUP INC	02/26/09	11,000	9,806.72	103.8670	**11,425.37**	1,618.65	271.36	**589**	5.15
GLB 05.350% JAN 15 2016									
MOODY'S: A1 S&P: A CUSIP: 38141GEE0									
AT&T INC	12/16/08	11,000	10,657.02	104.3420	**11,477.62**	820.60	252.08	**605**	5.27
GLB 05.500% FEB 01 2018									
MOODY'S: A2 S&P: A CUSIP: 00206RAJ1									

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

CORPORATE BONDS (continued) Description	Acquired	Quantity	Adjusted/Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
Δ PEPSICO INC *SENIOR NOTES 05.000% JUN 01 2018* *MOODY'S: AA2 S&P: A+ CUSIP: 713448BH0* *ORIGINAL UNIT/TOTAL COST: 103.5400/5,177.00*	12/16/08	5,000	5,161.06	103.8230	**5,191.15**	30.09	20.83	**250**	4.81
Δ VERIZON COMMUNICATIONS *6.35% DUE 4/1/2019* *MOODY'S: A3 S&P: A CUSIP: 92343VAV6* *ORIGINAL UNIT/TOTAL COST: 111.3200/10,018.80*	07/30/09	9,000	9,984.33	110.3230	**9,929.07**	(55.26)	142.88	**572**	5.75
Δ CISCO SYSTEMS INC *04.450% JAN 15 2020* *MOODY'S: A1 S&P: A+ CUSIP: 17275RAH5* *ORIGINAL UNIT/TOTAL COST: 100.8920/11,098.12*	11/17/09	11,000	11,097.26	98.0980	**10,790.78**	(306.48)	59.83	**490**	4.53
TOTAL		85,000	84,115.63		**88,352.35**	4,236.72	1,252.14	**4,128**	4.67

PLEASE REFER TO NOTES BELOW FOR INFORMATION REGARDING CREDIT RATINGS.

EQUITIES Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
ABBOTT LABS	ABT	05/01/06	3	42.5366	127.61	53.9900	161.97	34.36	5	2.96
		05/24/06	5	41.8160	209.08	53.9900	269.95	60.87	8	2.96
		08/16/06	5	49.1200	245.60	53.9900	269.95	24.35	8	2.96
		12/01/06	5	46.6960	233.48	53.9900	269.95	36.47	8	2.96
		04/12/07	25	57.3600	1,434.00	53.9900	1,349.75	(84.25)	40	2.96
		01/18/08	5	59.8900	299.45	53.9900	269.95	(29.50)	8	2.96
		07/09/08	10	57.4570	574.57	53.9900	539.90	(34.67)	16	2.96
		12/12/08	50	50.3900	2,519.50	53.9900	2,699.50	180.00	80	2.96
Subtotal			*108*		5,643.29		**5,830.92**	*187.63*	**173**	2.96
AT& T INC	T	12/12/08	269	27.9379	7,515.30	28.0300	**7,540.07**	24.77	**452**	5.99
BANK OF NOVA SCOTIA	BNS	12/12/08	125	24.6700	3,083.75	46.7400	**5,842.50**	2,758.75	**233**	3.98

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YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued)

Description	*Symbol*	*Acquired*	*Quantity*	*Unit Cost Basis*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Annual Income*	*Current Yield%*
BHP BILLITON LTD ADR	BHP	12/12/08	195	40.0500	7,809.75	76.5800	**14,933.10**	7,123.35	**320**	2.14
BP PLC SPON ADR	BP	12/12/08	75	46.0300	3,452.25	57.9700	**4,347.75**	895.50	**252**	5.79
BRISTOL-MYERS SQUIBB CO	BMY	12/12/08	185	22.0873	4,086.16	25.2500	4,671.25	585.09	237	5.06
		04/07/09	104	20.4680	2,128.68	25.2500	2,626.00	497.32	134	5.06
Subtotal			*289*		*6,214.84*		***7,297.25***	*1,082.41*	**371**	5.06
CAMECO CORP COM	CCJ	12/12/08	175	17.2689	3,022.06	32.1700	**5,629.75**	2,607.69	**40**	.70
CANADIAN NATL RAILWAY CO	CNI	08/27/09	81	49.3059	3,993.78	54.3600	**4,403.16**	409.38		
CATERPILLAR INC DEL	CAT	12/03/07	20	72.4605	1,449.21	56.9900	1,139.80	(309.41)	34	2.94
		12/06/07	5	74.2620	371.31	56.9900	284.95	(86.36)	9	2.94
		12/07/07	15	74.1513	1,112.27	56.9900	854.85	(257.42)	26	2.94
		12/12/08	55	40.9800	2,253.90	56.9900	3,134.45	880.55	93	2.94
		10/15/09	26	54.0407	1,405.06	56.9900	1,481.74	76.68	44	2.94
Subtotal			*121*		*6,591.75*		***6,895.79***	*304.04*	**206**	*2.94*
CHEVRON CORP	CVX	03/15/06	10	56.3800	563.80	76.9900	769.90	206.10	28	3.53
		04/12/07	15	76.4900	1,147.35	76.9900	1,154.85	7.50	41	3.53
		12/12/08	100	79.0700	7,907.00	76.9900	7,699.00	(208.00)	272	3.53
Subtotal			*125*		*9,618.15*		***9,623.75***	5.60	**341**	3.53
CHUBB CORP	CB	09/22/08	35	59.7242	2,090.35	49.1800	1,721.30	(369.05)	49	2.84
		12/12/08	70	48.3600	3,385.20	49.1800	3,442.60	57.40	98	2.84
Subtotal			*105*		*5,475.55*		***5,163.90***	*(311.65)*	**147**	2.84
CLOROX CO DEL COM	CLX	12/12/08	85	52.6600	4,476.10	61.0000	**5,185.00**	708.90	**170**	3.27
COCA COLA COM	KO	02/24/09	62	43.1445	2,674.96	57.0000	3,534.00	859.04	102	2.87
		03/23/09	38	43.2015	1,641.66	57.0000	2,166.00	524.34	63	2.87
Subtotal			*100*		*4,316.62*		***5,700.00***	*1,383.38*	**165**	2.87

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued) Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
CONOCOPHILLIPS	COP	02/22/06	5	61.7760	308.88	51.0700	255.35	(53.53)	10	3.91
		02/28/06	11	60.8381	669.22	51.0700	561.77	(107.45)	22	3.91
		03/15/06	5	61.5200	307.60	51.0700	255.35	(52.25)	10	3.91
		08/16/06	5	66.3800	331.90	51.0700	255.35	(76.55)	10	3.91
		04/12/07	15	69.8400	1,047.60	51.0700	766.05	(281.55)	30	3.91
		12/12/08	55	51.8500	2,851.75	51.0700	2,808.85	(42.90)	110	3.91
Subtotal			*96*		*5,516.95*		***4,902.72***	*(614.23)*	***192***	*3.91*
CONSOL ENERGY INC COM	CNX	12/12/08	90	29.2485	2,632.37	49.8000	**4,482.00**	1,849.63	**36**	.80
DEERE CO	DE	12/12/08	120	36.0299	4,323.59	54.0900	**6,490.80**	2,167.21	**135**	2.07
DIAGEO PLC SPSD ADR NEW	DEO	12/12/08	95	55.3573	5,258.95	69.4100	**6,593.95**	1,335.00	**216**	3.26
DIAMOND OFFSHORE DRLNG	DO	12/26/07	10	145.8420	1,458.42	98.4200	984.20	(474.22)	5	.50
		12/31/07	10	142.9140	1,429.14	98.4200	984.20	(444.94)	5	.50
		12/12/08	35	66.0000	2,310.00	98.4200	3,444.70	1,134.70	18	.50
Subtotal			*55*		*5,197.56*		***5,413.10***	*215.54*	***28***	*.50*
DOMINION RES INC NEW VA	D	12/12/08	100	34.5400	3,454.00	38.9200	3,892.00	438.00	175	4.49
		07/09/09	77	32.9029	2,533.53	38.9200	2,996.84	463.31	135	4.49
Subtotal			*177*		*5,987.53*		***6,888.84***	*901.31*	***310***	*4.49*
DU PONT E I DE NEMOURS	DD	12/12/08	230	25.9673	5,972.48	33.6700	**7,744.10**	1,771.62	**378**	4.87
ENBRIDGE INC COM	ENB	12/12/08	95	31.8100	3,021.95	46.2200	**4,390.90**	1,368.95	**154**	3.49
EQT CORP	EQT	12/12/08	85	31.7500	2,698.75	43.9200	**3,733.20**	1,034.45	**75**	2.00
EXELON CORPORATION	EXC	03/15/06	1	56.0800	56.08	48.8700	48.87	(7.21)	3	4.29
		08/16/06	10	59.1600	591.60	48.8700	488.70	(102.90)	21	4.29
		04/12/07	25	71.1500	1,778.75	48.8700	1,221.75	(557.00)	53	4.29
		12/12/08	65	54.8400	3,564.60	48.8700	3,176.55	(388.05)	137	4.29
Subtotal			*101*		*5,991.03*		***4,935.87***	*(1,055.16)*	***214***	*4.29*
EXXON MOBIL CORP COM	XOM	11/21/08	10	69.7670	697.67	68.1900	681.90	(15.77)	17	2.46
		12/12/08	160	80.0778	12,812.46	68.1900	10,910.40	(1,902.06)	269	2.46
Subtotal			*170*		*13,510.13*		***11,592.30***	*(1,917.83)*	***286***	*2.46*
FIRSTENERGY CORP	FE	12/12/08	85	53.8900	4,580.65	46.4500	**3,948.25**	(632.40)	**187**	4.73

THE HODGES FOUNDATION

Account Number:578-11812

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued) *Description*	*Symbol*	*Acquired*	*Quantity*	*Unit Cost Basis*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Annual Income*	*Current Yield%*
FPL GROUP INC	FPL	12/09/05	75	42.6568	3,199.26	52.8200	3,961.50	762.24	142	3.57
		10/15/07	5	63.0760	315.38	52.8200	264.10	(51.28)	10	3.57
		10/16/07	20	63.3930	1,267.86	52.8200	1,056.40	(211.46)	38	3.57
		10/17/07	15	63.4313	951.47	52.8200	792.30	(159.17)	29	3.57
Subtotal			*115*		*5,733.97*		***6,074.30***	*340.33*	***219***	3.57
GENERAL ELECTRIC	GE	05/25/04	280	31.4000	8,792.00	15.1300	4,236.40	(4,555.60)	112	2.64
		09/18/08	55	23.1667	1,274.17	15.1300	832.15	(442.02)	22	2.64
		09/22/08	50	26.8978	1,344.89	15.1300	756.50	(588.39)	20	2.64
Subtotal			*385*		*11,411.06*		***5,825.05***	*(5,586.01)*	***154***	*2.64*
GENERAL MILLS	GIS	03/31/09	54	50.3338	2,718.03	70.8100	**3,823.74**	1,105.71	**106**	2.76
GENL DYNAMICS CORP COM	GD	12/12/08	72	53.0066	3,816.48	68.1700	**4,908.24**	1,091.76	**110**	2.22
HALLIBURTON COMPANY	HAL	01/11/08	25	36.0104	900.26	30.0900	752.25	(148.01)	9	1.19
		01/14/08	15	36.5133	547.70	30.0900	451.35	(96.35)	6	1.19
		01/22/08	15	31.9373	479.06	30.0900	451.35	(27.71)	6	1.19
		01/23/08	25	31.0432	776.08	30.0900	752.25	(23.83)	9	1.19
		12/12/08	30	16.4700	494.10	30.0900	902.70	408.60	11	1.19
Subtotal			*110*		*3,197.20*		***3,309.90***	*112.70*	***41***	*1.19*
HEWLETT PACKARD CO DEL	HPQ	06/05/08	60	48.4415	2,906.49	51.5100	3,090.60	184.11	20	.62
		07/17/08	15	43.0433	645.65	51.5100	772.65	127.00	5	.62
		11/25/08	10	33.5380	335.38	51.5100	515.10	179.72	4	.62
		12/12/08	45	35.1800	1,583.10	51.5100	2,317.95	734.85	15	.62
Subtotal			*130*		*5,470.62*		***6,696.30***	*1,225.68*	***44***	.62
INTEL CORP	INTC	09/16/09	206	19.7069	4,059.64	20.4000	**4,202.40**	142.76	**116**	2.74
INTL BUSINESS MACHINES *CORP IBM*	IBM	06/24/08	15	123.5546	1,853.32	130.9000	1,963.50	110.18	33	1.68
		07/08/08	5	123.2740	616.37	130.9000	654.50	38.13	11	1.68
		12/12/08	30	80.0100	2,400.30	130.9000	3,927.00	1,526.70	66	1.68
Subtotal			*50*		*4,869.99*		***6,545.00***	*1,675.01*	***110***	*1.68*

THE HODGES FOUNDATION

Account Number:578-11812

TOTAL MERRILL®

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued) Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
JOHNSON AND JOHNSON COM	JNJ	08/16/06	5	64.7400	323.70	64.4100	322.05	(1.65)	10	3.04
		04/12/07	20	61.8400	1,236.80	64.4100	1,288.20	51.40	40	3.04
		02/24/09	32	54.6843	1,749.90	64.4100	2,061.12	311.22	63	3.04
Subtotal			*57*		*3,310.40*		**3,671.37**	*360.97*	**113**	3.04
JPMORGAN CHASE & CO	JPM	11/15/07	15	44.6100	669.15	41.6700	625.05	(44.10)	3	.48
		09/19/08	50	45.5040	2,275.20	41.6700	2,083.50	(191.70)	10	.48
		12/12/08	280	29.5190	8,265.32	41.6700	11,667.60	3,402.28	56	.48
		05/05/09	34	35.0314	1,191.07	41.6700	1,416.78	225.71	7	.48
Subtotal			*379*		*12,400.74*		**15,792.93**	*3,392.19*	**76**	.48
KIMBERLY CLARK	KMB	03/15/06	15	58.9000	883.50	63.7100	955.65	72.15	36	3.76
		08/16/06	5	61.5000	307.50	63.7100	318.55	11.05	12	3.76
		04/12/07	15	69.6000	1,044.00	63.7100	955.65	(88.35)	36	3.76
		06/19/07	5	68.4720	342.36	63.7100	318.55	(23.81)	12	3.76
		12/12/08	40	50.6700	2,026.80	63.7100	2,548.40	521.60	96	3.76
Subtotal			*80*		*4,604.16*		**5,096.80**	*492.64*	**192**	3.76
LORILLARD INC	LO	03/05/09	50	57.1760	2,858.80	80.2300	**4,011.50**	1,152.70	**200**	4.98
MARATHON OIL CORP	MRO	04/22/05	8	23.9362	191.49	31.2200	249.76	58.27	8	3.07
		03/15/06	20	37.1600	743.20	31.2200	624.40	(118.80)	20	3.07
		06/19/07	5	64.8100	324.05	31.2200	156.10	(167.95)	5	3.07
		12/12/08	100	24.5200	2,452.00	31.2200	3,122.00	670.00	96	3.07
Subtotal			*133*		*3,710.74*		**4,152.26**	*441.52*	**129**	3.07
MCDONALDS CORP COM	MCD	04/12/07	6	46.7300	280.38	62.4400	374.64	94.26	14	3.52
		07/09/08	10	59.3320	593.32	62.4400	624.40	31.08	22	3.52
		12/12/08	105	59.9419	6,293.90	62.4400	6,556.20	262.30	231	3.52
Subtotal			*121*		*7,167.60*		**7,555.24**	*387.64*	**267**	3.52
MEADWESTVACO CORP	MWV	12/12/08	165	10.9790	1,811.54	28.6300	**4,723.95**	2,912.41	**152**	3.21
MERCK AND CO INC SHS	MRK	12/12/08	115	26.4594	3,042.84	36.5400	**4,202.10**	1,159.26	**175**	4.15
NORTHEAST UTILITIES COM	NU	12/12/08	125	23.3148	2,914.35	25.7900	**3,223.75**	309.40	**119**	3.68
NORTHROP GRUMMAN CORP	NOC	12/12/08	75	40.0000	3,000.00	55.8500	**4,188.75**	1,188.75	**129**	3.07

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YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued)

Description	*Symbol*	*Acquired*	*Quantity*	*Unit Cost Basis*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Annual Income*	*Current Yield%*
NUCOR CORPORATION	NUE	01/21/09	72	39.4266	2,838.72	46.6500	**3,358.80**	520.08	**104**	3.08
OCCIDENTAL PETE CORP CAL	OXY	04/12/07	22	50.4700	1,110.34	81.3500	1,789.70	679.36	30	1.62
		09/18/07	10	63.8800	638.80	81.3500	813.50	174.70	14	1.62
		09/19/07	30	65.3830	1,961.49	81.3500	2,440.50	479.01	40	1.62
		01/25/08	10	64.8120	648.12	81.3500	813.50	165.38	14	1.62
		12/12/08	20	54.7600	1,095.20	81.3500	1,627.00	531.80	27	1.62
Subtotal			*92*		*5,453.95*		***7,484.20***	*2,030.25*	**125**	*1.62*
PEABODY ENERGY CORP COM	BTU	12/12/08	90	23.5300	2,117.70	45.2100	**4,068.90**	1,951.20	**26**	.61
PFIZER INC	PFE	01/31/05	5	24.0500	120.25	18.1900	90.95	(29.30)	4	3.95
		03/15/06	20	26.0100	520.20	18.1900	363.80	(156.40)	15	3.95
		04/25/06	5	24.7480	123.74	18.1900	90.95	(32.79)	4	3.95
		04/26/06	30	24.9690	749.07	18.1900	545.70	(203.37)	22	3.95
		04/28/06	35	25.1485	880.20	18.1900	636.65	(243.55)	26	3.95
		08/16/06	20	26.7800	535.60	18.1900	363.80	(171.80)	15	3.95
		04/12/07	100	26.3600	2,636.00	18.1900	1,819.00	(817.00)	72	3.95
		06/19/07	10	26.2600	262.60	18.1900	181.90	(80.70)	8	3.95
		10/19/09	82	17.5150	1,436.23	18.1900	1,491.58	55.35	60	3.95
Subtotal			*307*		*7,263.89*		***5,584.33***	*(1,679.56)*	***226***	*3.95*
PHILIP MORRIS INTL INC	PM	07/14/08	45	53.5035	2,407.66	48.1900	2,168.55	(239.11)	105	4.81
		09/11/08	25	54.4900	1,362.25	48.1900	1,204.75	(157.50)	58	4.81
		12/12/08	75	41.3300	3,099.75	48.1900	3,614.25	514.50	174	4.81
Subtotal			*145*		*6,869.66*		***6,987.55***	*117.89*	**337**	*4.81*
PPL CORPORATION	PPL	12/12/08	90	29.7800	2,680.20	32.3100	**2,907.90**	227.70	**125**	4.27
PRAXAIR INC	PX	12/12/08	80	54.5200	4,361.60	80.3100	**6,424.80**	2,063.20	**128**	1.99
PROCTER & GAMBLE CO	PG	12/12/08	122	57.9095	7,064.97	60.6300	**7,396.86**	331.89	**215**	2.90
PUB SVC ENTERPRISE GRP	PEG	03/06/09	112	25.1300	2,814.57	33.2500	**3,724.00**	909.43	**149**	4.00

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued)

Description	*Symbol*	*Acquired*	*Quantity*	*Unit Cost Basis*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Annual Income*	*Current Yield%*
RAYTHEON CO DELAWARE NEW	RTN	03/24/08	5	63.5100	317.55	51.5200	257.60	(59.95)	7	2.40
		03/25/08	30	64.4283	1,932.85	51.5200	1,545.60	(387.25)	38	2.40
		12/12/08	115	49.9519	5,744.47	51.5200	5,924.80	180.33	143	2.40
Subtotal			*150*		*7,994.87*		***7,728.00***	*(266.87)*	***188***	*2.40*
RIO TINTO PLC SPNSRD ADR	RTP	12/12/08	21	65.7080	1,379.87	215.3900	**4,523.19**	3,143.32	**115**	2.52
ROYAL BANK CANADA PV$1	RY	07/23/09	62	46.0548	2,855.40	53.5500	**3,320.10**	464.70	**118**	3.52
SCHLUMBERGER LTD	SLB	08/16/06	3	62.8800	188.64	65.0900	195.27	6.63	3	1.29
		02/06/07	5	65.0800	325.40	65.0900	325.45	.05	5	1.29
		04/12/07	20	73.1800	1,463.60	65.0900	1,301.80	(161.80)	17	1.29
		11/24/08	20	46.2380	924.76	65.0900	1,301.80	377.04	17	1.29
		12/12/08	20	40.0700	801.40	65.0900	1,301.80	500.40	17	1.29
Subtotal			68		*3,703.80*		***4,426.12***	*722.32*	**59**	*1.29*
SEMPRA ENERGY	SRE	10/05/09	13	50.2953	653.84	55.9800	727.74	73.90	21	2.78
		10/06/09	47	50.9951	2,396.77	55.9800	2,631.06	234.29	74	2.78
Subtotal			*60*		*3,050.61*		***3,358.80***	*308.19*	**95**	*2.78*
SOUTHERN COMPANY	SO	12/12/08	160	36.2595	5,801.52	33.3200	**5,331.20**	(470.32)	**280**	5.25
TOTAL S.A. SP ADR	TOT	12/27/07	10	82.3690	823.69	64.0400	640.40	(183.29)	28	4.33
		01/03/08	15	84.7386	1,271.08	64.0400	960.60	(310.48)	42	4.33
		08/21/08	21	73.2347	1,537.93	64.0400	1,344.84	(193.09)	59	4.33
		12/12/08	95	53.0500	5,039.75	64.0400	6,083.80	1,044.05	264	4.33
Subtotal			*141*		*8,672.45*		***9,029.64***	*357.19*	**393**	*4.33*
TRAVELERS COS INC	TRV	01/31/05	25	37.4436	936.09	49.8600	1,246.50	310.41	33	2.64
		03/15/06	10	43.1000	431.00	49.8600	498.60	67.60	14	2.64
		08/16/06	10	44.2500	442.50	49.8600	498.60	56.10	14	2.64
		04/12/07	15	53.0500	795.75	49.8600	747.90	(47.85)	20	2.64
		06/19/07	5	53.2040	266.02	49.8600	249.30	(16.72)	7	2.64
		01/05/09	115	44.7515	5,146.43	49.8600	5,733.90	587.47	152	2.64
Subtotal			*180*		*8,017.79*		***8,974.80***	*957.01*	***240***	*2.64*
UNILEVER NV NY REG SHS	UN	12/12/08	255	23.1400	5,900.70	32.3300	**8,244.15**	2,343.45	**236**	2.85

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009- December 31, 2009

EQUITIES (continued)

Description	*Symbol*	*Acquired*	*Quantity*	*Unit Cost Basis*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Annual Income*	*Current Yield%*
UNITED TECHS CORP COM	UTX	10/13/08	35	52.2174	1,827.61	69.4100	2,429.35	601.74	54	2.21
		12/12/08	65	47.4200	3,082.30	69.4100	4,511.65	1,429.35	101	2.21
		05/05/09	34	51.6002	1,754.41	69.4100	2,359.94	605.53	53	2.21
Subtotal			*134*		*6,664.32*		***9,300.94***	*2,636.62*	***208***	*2.21*
US BANCORP (NEW)	USB	12/12/08	240	24.9495	5,987.88	22.5100	**5,402.40**	(585.48)	**48**	.88
V F CORPORATION	VFC	03/05/09	61	48.1711	2,938.44	73.2400	**4,467.64**	1,529.20	**147**	3.27
VERIZON COMMUNICATNS COM	VZ	03/15/06	10	32.9470	329.47	33.1300	331.30	1.83	19	5.73
		05/24/06	5	29.6640	148.32	33.1300	165.65	17.33	10	5.73
		04/12/07	35	37.1271	1,299.45	33.1300	1,159.55	(139.90)	67	5.73
		10/27/08	55	28.1065	1,545.86	33.1300	1,822.15	276.29	105	5.73
		12/12/08	240	32.2674	7,744.18	33.1300	7,951.20	207.02	456	5.73
Subtotal			*345*		*11,067.28*		***11,429.85***	*362.57*	***657***	*5.73*
VODAFONE GROP PLC SP ADR	VOD	04/12/07	21	27.4300	576.03	23.0900	484.89	(91.14)	28	5.59
		06/19/07	5	31.7620	158.81	23.0900	115.45	(43.36)	7	5.59
		02/11/08	10	33.1800	331.80	23.0900	230.90	(100.90)	13	5.59
		07/29/08	9	26.5733	239.16	23.0900	207.81	(31.35)	12	5.59
		12/12/08	130	19.1100	2,484.30	23.0900	3,001.70	517.40	168	5.59
Subtotal			*175*		*3,790.10*		***4,040.75***	*250.65*	***228***	*5.59*
WAL-MART STORES INC	WMT	06/12/08	25	59.5016	1,487.54	53.4500	1,336.25	(151.29)	28	2.03
		06/24/08	15	57.6460	864.69	53.4500	801.75	(62.94)	17	2.03
		06/27/08	20	56.9735	1,139.47	53.4500	1,069.00	(70.47)	22	2.03
		07/09/08	10	58.4360	584.36	53.4500	534.50	(49.86)	11	2.03
		09/11/08	5	62.4580	312.29	53.4500	267.25	(45.04)	6	2.03
		12/12/08	25	54.4900	1,362.25	53.4500	1,336.25	(26.00)	28	2.03
Subtotal			*100*		*5,750.60*		***5,345.00***	*(405.60)*	***112***	*2.03*
WELLS FARGO & CO NEW DEL	WFC	07/17/08	15	26.8700	403.05	26.9900	404.85	1.80	3	.74
		07/17/08	50	27.6464	1,382.32	26.9900	1,349.50	(32.82)	10	.74
		12/12/08	320	25.9673	8,309.54	26.9900	8,636.80	327.26	64	.74
Subtotal			*385*		*10,094.91*		***10,391.15***	*296.24*	***77***	*.74*

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

EQUITIES (continued)

Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
↑ WEYERHAEUSER CO	WY	12/12/08	110	35.8700	3,945.70	43.1400	**4,745.40**	799.70	**22**	.46
3M COMPANY	MMM	06/30/09	61	59.9840	3,659.03	82.6700	**5,042.87**	1,383.84	**125**	2.46
TOTAL					364,743.82		**420,551.89**	55,808.07	**12,316**	2.93
TOTAL PRINCIPAL INVESTMENTS					621,639.99		**678,696.51**	57,056.52	**22,265**	3.28

Notes

Δ Debt Instruments purchased at a premium show amortization θ Debt Instruments purchased at a discount show accretion

[1] Some agency securities are not backed by the full faith and credit of the United States government.

< Derived from Moody's and/or S & P ratings for other debt securities of this issuer and provided by a third party vendor.

For Credit Ratings: S&P and Moody's provide credit ratings on the credit quality of certain bonds and preferred stocks. For a credit enhanced security, Moody's and S&P publish and provide third party vendors the higher of the rating on the credit enhancer (guarantor) or the stand alone rating on the underlying security.

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS

Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	367.05	367.05		**367.05**		
CMA MONEY FUND	18,388.00	18,388.00	1.0000	**18,388.00**	**18**	.10
TOTAL		18,755.05		**18,755.05**	**18**	.10
TOTAL INCOME INVESTMENTS		18,755.05		**18,755.05**	**18**	.10

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

December 01, 2009 - December 31, 2009

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL PRINCIPAL/INCOME INVESTMENTS	640,395.04	**697,451.56**	57,056.52	2,359.60	**22,283**	3.19

YOUR TRUST MANAGEMENT ACCOUNT TRANSACTIONS

DIVIDENDS/INTEREST INCOME TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income Cash	Principal Cash	Income Year To Date
12/01	Interest Credit		PEPSICO INC SENIOR NOTES 05.000% JUN 01 2018 INTEREST CREDIT PAY DATE 12/01/2009	125.00		
12/10	Interest Credit		CITIGROUP FUNDING INC FDIC TLGP GUARANTEED 02.250% DEC 10 2012 INTEREST CREDIT PAY DATE 12/10/2009	54.25		
12/14	Interest Credit		FEDERAL NATL MTG ASSOC NOTES 05.375% JUN 12 2017 INTEREST CREDIT PAY DATE 12/12/2009	295.63		
12/15	Interest Credit		U.S. TREASURY NOTE 4.375% DEC 15 2010 INTEREST CREDIT PAY DATE 12/15/2009	218.75		
12/31	Interest Credit		U.S. TREASURY NOTE 2.625% JUN 30 2014 INTEREST CREDIT PAY DATE 12/31/2009	223.13		

TOTAL MERRILL

THE HODGES FOUNDATION

Account Number: 578-04101

YOUR EMA ASSETS

December 01, 2009 - December 31, 2009

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL	66,019.06	**317,818.14**	251,799.08		2,773	.87

YOUR EMA TRANSACTIONS

DIVIDENDS/INTEREST INCOME TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income	Income Year To Date
12/31	¤ Bank Interest		BANK DEPOSIT INTEREST	.26	
	Income Total		ML BANK DEPOSIT PROGRAM	2.00	
	Subtotal (Taxable Interest)			*2.26*	*9.82*
	Subtotal (Taxable Dividends)				*2,973.75*
	NET TOTAL			**2.26**	**2,983.57**

REALIZED GAINS/(LOSSES)

Description	Quantity	Acquired Date	Liquidation Date	Sales Price	Cost Basis	Gains/(Losses) * This Statement	Gains/(Losses) * Year to Date
Subtotal (Long-Term)							*34,399.82*
TOTAL							**34,399.82**

* - Excludes transactions for which we have insufficient data

The capital gains and losses shown above may not reflect all transactions which must be reported on your 2009 tax return. These reportable transactions will appear on your January statement.

VISA SIGNATURE REWARDS

Rewards Period	Previous Point Balance	Points Earned This Period	Points Redeemed	Point Adjustments	Bonus Points	Ending Balance
11/25/2009 to 12/23/2009	1,085	0	0	0	0	1,085

To report Lost or Stolen Visa Cards or Checks, please call (800) CMA-LOST.

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YOUR EMA BANK DEPOSIT INTEREST SUMMARY

December 01, 2009 - December 31, 2009

Money Account Description	Opening Balance	Average Deposit Balance	Current Yield%	Interest on Deposits	Closing Balance
FIA Card Services, N.A.	27,924	27,924	.10	2.26	**27,927**
TOTAL *ML Bank Deposit Program*	27,924			2.26	**27,927**

YOUR EMA ASSETS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	1.14	1.14		**1.14**		
ML BANK DEPOSIT PROGRAM	27,927.00	27,927.00	1.0000	**27,927.00**	**28**	.10
TOTAL		27,928.14		**27,928.14**	**28**	.10

EQUITIES Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
CVS CAREMARK CORP	CVS	04/24/00	6,330	1.7697	11,202.54	32.2100	203,889.30	192,686.76	1,931	.94
		04/27/00	1,670	1.7993	3,004.88	32.2100	53,790.70	50,785.82	510	.94
		04/05/01	400	29.1737	11,669 50	32.2100	12,884.00	1,214.50	122	.94
		05/25/04	600	20.3566	12,214.00	32.2100	19,326.00	7,112.00	183	.94
Subtotal			*9,000*		*38,090.92*		***289,890.00***	*251,799.08*	***2,746***	*.94*
TOTAL					38,090.92		**289,890.00**	251,799.08	**2,746**	.95

RESEARCH RATINGS

Security	Symbol	BAS-ML Research Rating ~~IPR Rating*~~	IPR Rating*	Jaywalk Consensus Rating SELL HOLD BUY	
CVS CAREMARK CORP	CVS	B-1-7 Under Review - Morningstar	Buy -Standard & Poor's		1.22

PLEASE REFER TO THE BACK OF YOUR STATEMENT FOR A GUIDE TO YOUR BAS-ML RESEARCH AND IPR RATINGS.

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2009 - December 31, 2009

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	0.70	0.70		**.70**		
CMA MONEY FUND	38,361.00	38,361.00	1.0000	**38,361.00**	**38**	.10
TOTAL		38,361.70		**38,361.70**	**38**	.10
TOTAL PRINCIPAL INVESTMENTS		38,361.70		**38,361.70**	**38**	.10

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	0.95	0.95		**.95**		
CMA MONEY FUND	15.00	15.00	1.0000	**15.00**		.10
TOTAL		15.95		**15.95**		.13
TOTAL INCOME INVESTMENTS		15.95		**15.95**		.13

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL PRINCIPAL/INCOME INVESTMENTS	38,377.65	**38,377.65**			**38**	.10

Form **8868**
(Rev April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

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

OMB No 1545-1709

- 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	Name of Exempt Organization	**Employer identification number**
	THE HODGES FOUNDATION	75-6329970
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions	
	P O Box 1525	
	City, town or post office, state, and ZIP code For a foreign address, see instructions	
	Pennington NJ 08534-1525	

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
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ MLTC, a Division of Bank of America, N A 1300 Merrill Lynch Drive Pennington N

Telephone No ▶ 609-274-6968 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 8/15/2010, to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ [X] calendar year 2009 or

▶ [ ] tax year beginning ______, and ending ______

2 If this tax year is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3 a	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**	$ 928
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**	$ 690
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**	$ 262

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