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

2009

Department of the Treasury
Internal Revenue Service

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

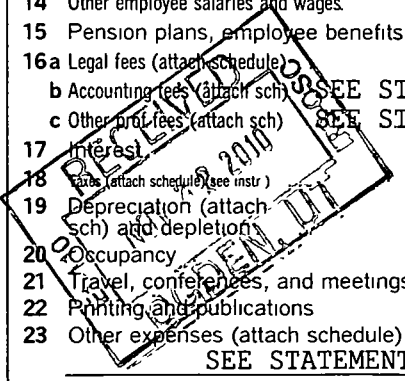
For calendar year 2009, or tax year beginning _____, **2009, and ending** _____

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

Use the IRS label. Otherwise, print or type See Specific Instructions.	KWS FOUNDATION 3780 ROBINWOOD HOUSTON, TX 77005	A Employer identification number 76-0521970 B Telephone number (see the instructions) 713-824-0427 C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 20,403.		J Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))</i>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc. received (att sch)	35,182.			
2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	1.	1.	1.	
4 Dividends and interest from securities	605.	605.	605.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-2,428.			
b Gross sales price for all assets on line 6a	20,779.			
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	33,360.	606.	606.	
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch)	1,725.	1,725.	1,725.	
c Other prof fees (attach sch)	1,007.	1,007.	1,007.	
17 Interest				
18 Taxe (attach schedule) (see instr)				
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	17.	17.	17.	
24 Total operating and administrative expenses. Add lines 13 through 23	2,749.	2,749.	2,749.	
25 Contributions, gifts, grants paid PART XV	61,000.			61,000.
26 Total expenses and disbursements. Add lines 24 and 25	63,749.	2,749.	2,749.	61,000.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-30,389.			
b Net investment income (if negative, enter -0)		0.		
c Adjusted net income (if negative, enter 0)			0.	

ADMINISTRATIVE EXPENSES
 COARRATED NOV 30 2010



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end of year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	21,570.	1,165.	1,165.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)	27,678.	17,688.	19,213.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment, basis			
Less: accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe SEE STATEMENT 4)	20.	25.	25.	
16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	49,268.	18,878.	20,403.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	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. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	49,268.	18,878.	
	30 Total net assets or fund balances (see the instructions)	49,268.	18,878.	
	31 Total liabilities and net assets/fund balances (see the instructions)	49,268.	18,878.	

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	49,268.
2 Enter amount from Part I, line 27a	2	-30,389.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	18,879.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 5	5	1.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	18,878.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SALES THROUGH BROKER	P	VARIOUS	VARIOUS
b SALES THROUGH BROKER	P	VARIOUS	VARIOUS
c SALES THROUGH BROKER	P	VARIOUS	VARIOUS
d SALES THROUGH BROKER	P	VARIOUS	VARIOUS
e POWERSHARES DB AGRICULTURE FUND	P	VARIOUS	VARIOUS

(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 8,968.		7,737.	1,231.
b 6,524.		8,303.	-1,779.
c 1,138.		918.	220.
d 3,724.		6,249.	-2,525.
e 425.			425.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			1,231.
b			-1,779.
c			220.
d			-2,525.
e			425.

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	-2,428.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	[If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]	3	-548.

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	32,413.	75,992.	0.426532
2007	24,000.	57,060.	0.420610
2006	36,043.	33,776.	1.067119
2005	59,979.	72,126.	0.831586
2004	65,350.	161,891.	0.403667
2 Total of line 1, column (d)			2 3.149514
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 0.629903
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 22,961.
5 Multiply line 4 by line 3			5 14,463.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7 14,463.
8 Enter qualifying distributions from Part XII, line 4			8 61,000.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
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	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	0.
6 Credits/Payments.			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a		
b Exempt foreign organizations -- tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached.	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11		
		Refunded	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see 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? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

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Form 990-PF (2009)

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ DONALD R. SINCLAIR Telephone no ▶ (713) 268-8067 Located at ▶ 3756 KNOLLWOOD HOUSTON TX ZIP + 4 ▶ 77019-1110			
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		N/A	▶ <input type="checkbox"/> N/A

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
1 a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1 b	N/A
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?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 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 the instructions)	2 b	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__ .		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

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

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b	N/A	
6b		X
7b	N/A	

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

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DONALD R. SINCLAIR 3756 KNOLLWOOD HOUSTON, TX 77019	PRESIDENT 5.00	0.	0.	0.
SUSAN LACY SINCLAIR 3756 KNOLLWOOD HOUSTON, TX 77019	SECY/TREASUR 5.00	0.	0.	0.
JAMES T. HACKETT 3372 DEL MONTE HOUSTON, TX 77019	VICE-PRESIDE 5.00	0.	0.	0.

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

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

Total number of other employees paid over \$50,000 0

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

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

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

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

2	

3	

4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	

2	

All other program-related investments See instructions.	
3	

Total. Add lines 1 through 3	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a Average monthly fair market value of securities	1a	20,158.
b Average of monthly cash balances	1b	3,153.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	23,311.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	23,311.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	350.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	22,961.
6 Minimum investment return. Enter 5% of line 5	6	1,148.

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

1 Minimum investment return from Part X, line 6	1	1,148.
2a Tax on investment income for 2009 from Part VI, line 5	2a	
b Income tax for 2009 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	
3 Distributable amount before adjustments Subtract line 2c from line 1	3	1,148.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,148.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,148.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	61,000.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	61,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	61,000.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,148.
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	57,255.			
b From 2005	56,415.			
c From 2006	34,468.			
d From 2007	21,204.			
e From 2008	28,613.			
f Total of lines 3a through e	197,955.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 61,000.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2009 distributable amount				1,148.
e Remaining amount distributed out of corpus	59,852.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	257,807.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	57,255.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	200,552.			
10 Analysis of line 9				
a Excess from 2005	56,415.			
b Excess from 2006	34,468.			
c Excess from 2007	21,204.			
d Excess from 2008	28,613.			
e Excess from 2009	59,852.			

Part XIV Private Operating Foundations (see 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)

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

Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon				
a 'Assets' alternative test – enter				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c 'Support' alternative test – enter.				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

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

1 Information Regarding Foundation Managers:

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

DONALD R. SINCLAIR

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

NONE

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

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

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

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

c Any submission deadlines.

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> RIVER OAKS BAPTIST SCHOOL 2300 WILLOWICK HOUSTON, TX 77027		501 (C)	EDUCATIONAL	5,000.
EPISCOPAL HIGH SCHOOL 4650 BISSONNET BELLAIRE, TX 77401		501 (C)	EDUCATIONAL	15,000.
TEXAS TECH UNIVERTISY 2500 BROADWAY LUBBOCK, TX 79409		501C3	EDUCATION	40,000.
WESTCHESTER ACADEMY 901 YORKCHESTER DR HOUSTON, TX 77079		501C3	EDUCATION	1,000.
Total			▶ 3a	61,000.
<i>b Approved for future payment</i>				
Total			▶ 3b	

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

KWS FOUNDATION

Employer identification number

76-0521970

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

- 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)/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 their 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).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

KWS FOUNDATION

76-0521970

Part I Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	DON SINCLAIR ----- 3780 ROBINHOOD ----- HOUSTON, TX 77005 -----	\$ 35,182.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

KWS FOUNDATION

76-0521970

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete cols (a) through (e) and the following line entry.)

For organizations completing Part III, enter total of exclusively religious, charitable, etc, contributions of \$1,000 or less for the year. (Enter this information once - see instructions) ▶ \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

KWS FOUNDATION

76-0521970

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOX BYRD & CO .	\$ 1,725.	\$ 1,725.	\$ 1,725.	
TOTAL	<u>\$ 1,725.</u>	<u>\$ 1,725.</u>	<u>\$ 1,725.</u>	<u>\$ 0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISOR FEES	\$ 1,007.	\$ 1,007.	\$ 1,007.	
TOTAL	<u>\$ 1,007.</u>	<u>\$ 1,007.</u>	<u>\$ 1,007.</u>	<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	\$ 16.	\$ 16.	\$ 16.	
POWERSHARES DB AGRICULTURE FD	1.	1.	1.	
TOTAL	<u>\$ 17.</u>	<u>\$ 17.</u>	<u>\$ 17.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST RECEIVABLE	\$ 25.	
INTEREST RECEIVABLE		\$ 25.
TOTAL	<u>\$ 25.</u>	<u>\$ 25.</u>

STATEMENT 5
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

SECTION 1256 LOSSES FROM POWERSHARES	\$ 1.
TOTAL	<u>\$ 1.</u>

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970

Account Name: KWS FOUNDATION AGENCY

Acct#: 792408

Administrator: RAY PETRVALSKY

Accountant:

State of Domicile: Texas

Closed Date:

Tran Date	Acct#	Cusip	Asset	Trade Date	Amount	Shares	Tax Code	Tax Yr	Opt Type	Cvr Opt
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
2/26/2009	792408	57060U100	MARKET VECTORS GOLD MINERS	2/23/2009	-1,132.92	31.0000	888	2009		
8/27/2009	792408	78463V107	SPDR GOLD TRUST	8/24/2009	-279.77	3.0000	888	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
8/27/2009	792408	78463X863	SPDR DJ INTERNATIONAL REAL E	8/24/2009	-270.88	8.0000	888	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
2/27/2009	792408	78464A805	SPDR DJ WILSHIRE TOTAL MARKET	2/24/2009	-165.59	3.0000	888	2009		
12/16/2009	792408	872407101	TFS MARKET NEUTRAL FUND - SELECT	12/10/2009	-5.35	0.3520		2009		
8/27/2009	792408	922908553	VANGUARD REIT ETF	8/24/2009	-274.71	7.0000	888	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
<u>Sale</u>										
7/23/2009	792408	00203H602	AQR DIVERSIFIED ARB FUND - I	7/22/2009	375.00	-35.4780	255	2009		
2/24/2009	792408	03875R205	THE ARBITRAGE FUND - I	2/23/2009	1,276.70	-104.3060	255	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
7/23/2009	792408	03875R205	THE ARBITRAGE FUND - I	7/22/2009	370.00	-28.8160	255	2009		
7/23/2009	792408	04315J704	ARTIO GLOBAL EQUITY FUND - I	7/22/2009	270.00	-9.0600	255	2009		
10/13/2009	792408	04315J704	ARTIO GLOBAL EQUITY FUND - I	10/9/2009	105.82	-3.0660	255	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
7/23/2009	792408	04315J860	ARTIO GLOBAL HIGH INCOME - I	7/22/2009	250.00	-27.7470	255	2009		
8/5/2009	792408	04315J860	ARTIO GLOBAL HIGH INCOME - I	8/4/2009	627.52	-67.1140	255	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
6/16/2009	792408	073902835	BEARLIX ALERIAN MLP SEL	6/11/2009	991.01	-38.0000	255	2009		
2/24/2009	792408	315916783	FIDELITY FLOATING RATE HIGH INCOME	2/23/2009	700.77	-86.3020	255	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
7/23/2009	792408	315916783	FIDELITY FLOATING RATE HIGH INCOME	7/22/2009	230.00	-25.4420	255	2009		
7/23/2009	792408	448108100	HUSSMAN STRATEGIC GROWTH FUND	7/22/2009	440.00	-32.8360	255	2009		
2/26/2009	792408	464286848	ISHARES JAPAN	2/23/2009	225.37	-31.0000	255	2009		
Comments: Rebalancing to model portfolio: The Diversified Fund - Model										
7/27/2009	792408	464286848	ISHARES JAPAN	7/22/2009	265.15	-28.0000	255	2009		

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970
Acct#: 792408 **Account Name:** KWS FOUNDATION AGENCY
Administrator: RAY PETRVALSKY **Accountant:**
State of Domicile: Texas
Closed Date:

Tran Date	Acct.#	Cusip	Asset	Trade Date	Amount	Shares	Tax Code	Tax Yr	Opt Type	Cvr Opt	
Comments: MERRILL LYNCH; 07/22 SALE 28.0000 SHR @ 9.5100; COMM: 1.12 FEES: 0.01											
7/27/2009	792408	464287176	ISHARES LEHMAN US TREAS INFLATION PROTECTED	7/22/2009	504.19	-5.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 5.0000 SHR @ 100.8800; COMM: 0.20 FEES: 0.01											
2/26/2009	792408	464287234	ISHARES MSCI EMERGING MKT INDEX	2/23/2009	167.68	-8.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
4/16/2009	792408	464287234	ISHARES MSCI EMERGING MKT INDEX	4/13/2009	308.32	-11.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/27/2009	792408	464287234	ISHARES MSCI EMERGING MKT INDEX	7/22/2009	445.50	-13.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 13.0000 SHR @ 34.3100; COMM: 0.52 FEES: 0.01											
10/15/2009	792408	464287234	ISHARES MSCI EMERGING MKT INDEX	10/9/2009	159.47	-4.0000	255	2009			
7/27/2009	792408	464287242	ISHARES IBOX\$ INVEST GRADE CORP BOND FUND	7/22/2009	507.64	-5.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 5.0000 SHR @ 101.5700; COMM: 0.20 FEES: 0.01											
7/27/2009	792408	464287341	ISHARES S&P GLBL ENERGY SECT	7/22/2009	343.19	-11.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 11.0000 SHR @ 31.2400; COMM: 0.44 FEES: 0.01											
11/2/2009	792408	464287341	ISHARES S&P GLBL ENERGY SECT	10/28/2009	105.16	-3.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/27/2009	792408	464287432	ISHARES BARCLAYS 20+ YR TREAS	7/22/2009	464.69	-5.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 5.0000 SHR @ 92.9800; COMM: 0.20 FEES: 0.01											
7/27/2009	792408	464287861	ISHARES S&P EUROPE 350	7/22/2009	131.31	-4.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 4.0000 SHR @ 32.8700; COMM: 0.16 FEES: 0.01											
7/27/2009	792408	464288687	ISHARES S&P PREF STK INDX	7/22/2009	266.55	-8.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 8.0000 SHR @ 33.3600; COMM: 0.32 FEES: 0.01											
7/9/2009	792408	46625H365	JP MORGAN ALERIAN MLP INDEX	7/6/2009	219.70	-10.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/27/2009	792408	46625H365	JP MORGAN ALERIAN MLP INDEX	7/22/2009	239.09	-10.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 10.0000 SHR @ 23.9500; COMM: 0.40 FEES: 0.01											
7/23/2009	792408	4812A2439	HIGHBRIDGE STAT MARKET NEUTRAL FUND - SELECT	7/22/2009	350.00	-21.5380	255	2009			
2/24/2009	792408	481368207	ARTIO GLOBAL EQUITY FUND CL I	2/23/2009	756.55	-34.1870	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970

Account Name: KWS FOUNDATION AGENCY

Acct#: 792408

Administrator: RAY PETRVALSKY **Accountant:**

State of Domicile: Texas

Closed Date:

Tran Date	Acct#	Cusip	Asset	Trade Date	Amount	Shares	Tax Code	Tax Yr	Opt Type	Cvr Opt	
7/27/2009	792408	57060U100	MARKET VECTORS GOLD MINERS	7/22/2009	353.78	-9.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 9.0000 SHR @ 39.3500; COMM: 0.36 FEES: 0.01											
10/15/2009	792408	57060U100	MARKET VECTORS GOLD MINERS	10/9/2009	337.85	-7.0000	255	2009			
2/24/2009	792408	577130859	MATTHEWS INDIA FUND	2/23/2009	23.69	-3.3790	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
2/17/2009	792408	61744J317	MORGAN STANLEY INST'L EURO RE	2/13/2009	833.21	-78.0160	255	2009			
4/14/2009	792408	722005220	PIMCO FOREIGN BOND FUND - IN	4/13/2009	322.38	-40.1970	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/23/2009	792408	722005220	PIMCO FOREIGN BOND FUND - IN	7/22/2009	250.00	-26.8240	255	2009			
2/26/2009	792408	73936B408	POWERSHARES DB AGRICULTURE FUND	2/23/2009	325.01	-14.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
4/16/2009	792408	73936B408	POWERSHARES DB AGRICULTURE FUND	4/13/2009	490.66	-20.0000	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
2/24/2009	792408	77956H872	T ROWE PRICE EMERGING MKT BOND FD	2/23/2009	626.78	-63.4390	255	2009			
4/16/2009	792408	78464A805	SPDR DJ WILSHIRE TOTAL MARKET	4/13/2009	312.49	-5.0000	255	2009			
7/27/2009	792408	78464A805	SPDR DJ WILSHIRE TOTAL MARKET	7/22/2009	348.49	-5.0000	255	2009			
Comments: MERRILL LYNCH; 07/22 SALE 5.0000 SHR @ 69.7400; COMM: 0.20 FEES: 0.01											
2/24/2009	792408	872407101	TFS MARKET NEUTRAL FUND - SELECT	2/23/2009	233.84	-18.1410	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/23/2009	792408	872407101	TFS MARKET NEUTRAL FUND - SELECT	7/22/2009	390.00	-26.7670	255	2009			
10/13/2009	792408	872407101	TFS MARKET NEUTRAL FUND - SELECT	10/9/2009	148.03	-9.5750	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
2/24/2009	792408	888894862	TOCQUEVILLE GOLD FUND	2/23/2009	1,162.37	-33.2580	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											
7/23/2009	792408	922023106	VANGUARD CONVERTIBLE SECURITIES - INVESTOR	7/22/2009	250.00	-22.4420	255	2009			
2/24/2009	792408	936772300	WASATCH HOISINGTON US TREASURY	2/23/2009	2,849.03	-164.7790	255	2009			
Comments: Rebalancing to model portfolio: The Diversified Fund - Model											

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970

Account Name: KWS FOUNDATION AGENCY

Acct#: 792408

Administrator: RAY PETRVALSKY Accountant:

State of Domicile: Texas

Closed Date:

Schedule D

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Cvr Opt
Short Gain													
792408	TOCQUEVILLE GOLD FUND	888894862	0.9710	12/17/2008	REINVEST	2/23/2009	2009	Short	33.94	28.56	5.38		
792408	WASATCH HOISINGTON US TREASURY	936772300	37.2650	5/19/2008		2/23/2009	2009	Short	644.31	538.48	105.83		
792408	WASATCH HOISINGTON US TREASURY	936772300	61.7020	8/21/2008		2/23/2009	2009	Short	1,066.83	906.40	160.43		
792408	TFS MARKET NEUTRAL FUND - SELECT	872407101	18.1410	12/17/2008		2/23/2009	2009	Short	233.84	231.30	2.54		
792408	ISHARES MSCI EMERGING MKT INDEX	464287234	11.0000	12/17/2008	PURCHASE	4/13/2009	2009	Short	308.32	286.11	22.21		
792408	BEARLIX ALERIAN MLP SEL	073902835	38.0000	12/17/2008	PURCHASE	6/11/2009	2009	Short	991.01	853.89	137.12		
792408	ISHARES LEHMAN US TREAS INFLATION PROTECTED	464287176	5.0000	2/23/2009	PURCHASE	7/22/2009	2009	Short	504.19	498.20	5.99		
792408	ISHARES MSCI EMERGING MKT INDEX	464287234	13.0000	12/17/2008	PURCHASE	7/22/2009	2009	Short	445.50	338.14	107.36		
792408	ISHARES IBOXX\$ INVEST GRADE CORP BOND FUND	464287242	5.0000	12/23/2008	PURCHASE	7/22/2009	2009	Short	507.64	501.16	6.48		
792408	ISHARES S&P EUROPE 350	464287861	4.0000	12/17/2008	PURCHASE	7/22/2009	2009	Short	131.31	126.90	4.41		
792408	ISHARES S&P PREF STK INDX	464288687	8.0000	3/4/2009	PURCHASE	7/22/2009	2009	Short	266.55	141.23	125.32		
792408	JP MORGAN ALERIAN MLP	46625H365	10.0000	6/11/2009	PURCHASE	7/22/2009	2009	Short	239.09	227.20	11.89		

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970

Acct#: 792408 Account Name: KWS FOUNDATION AGENCY

Administrator: RAY PETRVALSKY **Accountant:**

State of Domicile: Texas

Closed Date:

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Cvr Opt
792408	INDEX MARKET VECTORS GOLD MINERS	57060U100	9.0000	2/23/2009	PURCHASE	7/22/2009	2009	Short	353.78	328.91	24.87		
792408	SPDR DJ WILSHIRE TOTAL MARKET	78464A805	5.0000	12/17/2008	PURCHASE	7/22/2009	2009	Short	348.49	330.39	18.10		
792408	ARTIO GLOBAL HIGH INCOME - I	04315J860	27.7470	12/17/2008		7/22/2009	2009	Short	250.00	199.78	50.22		
792408	PIMCO FOREIGN BOND FUND - IN	722005220	26.8240	12/17/2008		7/22/2009	2009	Short	250.00	231.49	18.51		
792408	AQR DIVERSIFIED ARB FUND - I	00203H602	35.4780	4/15/2009		7/22/2009	2009	Short	375.00	362.58	12.42		
792408	VANGUARD CONVERTIBLE SECURITIES - INVESTOR	922023106	22.4420	12/17/2008		7/22/2009	2009	Short	250.00	206.02	43.98		
792408	TFS MARKET NEUTRAL FUND - SELECT	872407101	26.7670	12/17/2008		7/22/2009	2009	Short	390.00	341.28	48.72		
792408	ARTIO GLOBAL HIGH INCOME - I	04315J860	67.1140	12/17/2008		8/4/2009	2009	Short	627.52	483.22	144.30		
792408	ISHARES MSCI EMERGING MKT INDEX	464287234	4.0000	12/17/2008	PURCHASE	10/9/2009	2009	Short	159.47	104.04	55.43		
792408	MARKET VECTORS GOLD MINERS	57060U100	7.0000	2/23/2009	PURCHASE	10/9/2009	2009	Short	337.85	255.82	82.03		
792408	TFS MARKET NEUTRAL FUND - SELECT	872407101	9.5750	12/17/2008		10/9/2009	2009	Short	148.03	122.08	25.95		
792408	ISHARES S&P GLBL ENERGY	464287341	3.0000	12/17/2008	PURCHASE	10/28/2009	2009	Short	105.16	93.70	11.46		

Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760521970

Acct#: 792408

Account Name: KWS FOUNDATION AGENCY

Administrator: RAY PETRALSKY

Accountant:

State of Domicile: Texas

Closed Date:

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Cvr Opt Type
										8,967.83	7,736.88	1,230.95
Short Loss												
792408	MORGAN STANLEY INST'L EURO RE	61744J317	37.5280	5/19/2008	FREEREC	2/13/2009	2009	Short	400.80	954.34	-553.54	
792408	MORGAN STANLEY INST'L EURO RE	61744J317	0.4430	7/2/2008	FREEREC	2/13/2009	2009	Short	4.73	9.18	-4.45	
792408	POWERSHARES DB AGRICULTURE FUND	73936B408	14.0000	7/9/2008	PURCHASE	2/23/2009	2009	Short	325.01	557.70	-232.69	
792408	ISHARES JAPAN	464286848	31.0000	12/17/2008	PURCHASE	2/23/2009	2009	Short	225.37	293.98	-68.61	
792408	ISHARES MSCI EMERGING MKT INDEX	464287234	8.0000	12/17/2008	PURCHASE	2/23/2009	2009	Short	167.68	208.08	-40.40	
792408	MATTHEWS INDIA FUND	577130859	3.2230	12/11/2008	REINVEST	2/23/2009	2009	Short	22.60	25.62	-3.02	
792408	MATTHEWS INDIA FUND	577130859	0.1560	12/11/2008	REINVEST	2/23/2009	2009	Short	1.09	1.24	-0.15	
792408	THE ARBITRAGE FUND - I	03875R205	104.3060	5/19/2008		2/23/2009	2009	Short	1,276.70	1,358.19	-81.49	
792408	FIDELITY FLOATING RATE HIGH INCOME	315916783	86.3020	5/19/2008		2/23/2009	2009	Short	700.77	814.69	-113.92	
792408	TOCQUEVILLE GOLD FUND	888894862	15.3050	5/19/2008		2/23/2009	2009	Short	534.91	763.85	-228.94	
792408	T ROWE PRICE EMERGING MKT BOND FD	77956H872	9.7000	5/19/2008	PURCHASE	2/23/2009	2009	Short	95.84	126.97	-31.13	
792408	SPDR DJ WILSHIRE TOTAL MARKET	78464A805	5.0000	12/17/2008	PURCHASE	4/13/2009	2009	Short	312.49	330.39	-17.90	
792408	POWERSHARES DB	73936B408	20.0000	7/9/2008	PURCHASE	4/13/2009	2009	Short	490.66	796.72	-306.06	

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State of Domicile: Texas

Closed Date:

Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Cvr Opt
	AGRICULTURE FUND												
792408	PIMCO FOREIGN BOND FUND - IN	722005220	40.1970	12/17/2008		4/13/2009	2009	Short	322.38	346.90	-24.52		
792408	JP MORGAN ALERIAN MLP INDEX	46625H365	10.0000	6/11/2009	PURCHASE	7/6/2009	2009	Short	219.70	227.20	-7.50		
792408	ISHARES JAPAN	464286848	28.0000	12/17/2008	PURCHASE	7/22/2009	2009	Short	265.15	265.53	-0.38		
792408	ISHARES S&P GBL ENERGY SECT	464287341	11.0000	12/17/2008	PURCHASE	7/22/2009	2009	Short	343.19	343.58	-0.39		
792408	ISHARES BARCLAYS 20+ YR TREAS	464287432	5.0000	2/23/2009	PURCHASE	7/22/2009	2009	Short	464.69	523.89	-59.20		
792408	HIGHBRIDGE STAT MARKET NEUTRAL FUND - SELECT	4812A2439	21.5380	2/24/2009		7/22/2009	2009	Short	350.00	354.35	-4.35		
	Long Gain								6,523.76	8,302.40	-1,778.64		
792408	WASATCH HOISINGTON US TREASURY	936772300	65.8120	5/11/2007		2/23/2009	2009	Long	1,137.89	918.73	219.16		
	Long Loss								1,137.89	918.73	219.16		
792408	MORGAN STANLEY INST'L EURO RE	61744J317	37.5470	5/14/2007	FREEREC	2/13/2009	2009	Long	401.00	1,377.66	-976.66		
792408	MORGAN STANLEY INST'L EURO RE	61744J317	0.0600	7/3/2007	FREEREC	2/13/2009	2009	Long	0.64	1.96	-1.32		
792408	MORGAN STANLEY INST'L EURO RE	61744J317	0.0850	7/3/2007	FREEREC	2/13/2009	2009	Long	0.91	2.80	-1.89		
792408	MORGAN STANLEY INST'L EURO RE	61744J317	2.1090	12/20/2007	FREEREC	2/13/2009	2009	Long	22.52	51.36	-28.84		

Tax Worksheet

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Account Number	Asset Sold	Cusip	Shares/PV	Date Acquired	How Acquired	Trade Date	Tax Yr	Time Held	Net Sales Proceeds	Cost	Real G/L	Opt Type	Cvr Opt
	STANLEY INST'L EURO RE												
792408	MORGAN STANLEY INST'L EURO RE	61744J317	0.2440	12/20/2007	FREEREC	2/13/2009	2009	Long	2.61	5.95	-3.34		
792408	ARTIO GLOBAL EQUITY FUND CL I	481368207	34.1870	5/11/2007		2/23/2009	2009	Long	756.55	1,507.15	-750.60		
792408	TOCQUEVILLE GOLD FUND	888894862	13.2400	5/11/2007		2/23/2009	2009	Long	462.73	707.81	-245.07		
792408	TOCQUEVILLE GOLD FUND	888894862	0.0860	12/11/2007	REINVEST	2/23/2009	2009	Long	3.01	4.12	-1.11		
792408	TOCQUEVILLE GOLD FUND	888894862	3.6560	12/11/2007	REINVEST	2/23/2009	2009	Long	127.78	174.71	-46.93		
792408	T ROWE PRICE EMERGING MKT BOND FD	77956H872	52.7090	5/11/2007	PURCHASE	2/23/2009	2009	Long	520.76	739.51	-218.74		
792408	T ROWE PRICE EMERGING MKT BOND FD	77956H872	0.6830	12/19/2007	REINVEST	2/23/2009	2009	Long	6.75	9.17	-2.42		
792408	T ROWE PRICE EMERGING MKT BOND FD	77956H872	0.3470	1/30/2008	REINVEST	2/23/2009	2009	Long	3.43	4.63	-1.20		
792408	THE ARBITRAGE FUND - I	03875R205	28.8160	5/19/2008		7/22/2009	2009	Long	370.00	375.22	-5.22		
792408	FIDELITY FLOATING RATE HIGH INCOME	315916783	25.4420	5/19/2008		7/22/2009	2009	Long	230.00	240.17	-10.17		
792408	HUSSMAN STRATEGIC GROWTH FUND	448108100	32.8360	5/11/2007		7/22/2009	2009	Long	440.00	512.57	-72.57		
792408	ARTIO GLOBAL EQUITY FUND - I	04315J704	9.0600	5/11/2007		7/22/2009	2009	Long	270.00	399.41	-129.41		
792408	ARTIO GLOBAL EQUITY FUND - I	04315J704	3.0660	5/11/2007		10/9/2009	2009	Long	105.82	135.17	-29.35		

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Account Name: KWS FOUNDATION AGENCY

Administrator: RAY PETRVALSKY **Accountant:**

State of Domicile: Texas

Closed Date:

Tax Code Legend

Tax Code	Description
009	DISTRIBUTION TO BENEFICIARY
220	DIVIDEND (QDI)
371	MUTUAL FUND - DIVIDEND TAXABLE (QDI)
373	Bond Fund - Dividend Taxable (non QDI)
383	CAPITAL GAINS - SHORT TERM
715	MONEY MARKET DIVIDENDS (NON QDI)
717	MUTUAL FUND DIVIDEND TAXABLE (NON QDI)
924	MUTUAL FUND REDEMPTION FEE
962	CONSULTING FEE
255	SALE OF ASSET
888	PURCHASE OF ASSET

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