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Form **990-PF**

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

OMB No 1545-0052

**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

, and ending

G Check all that apply:

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

Name of foundation

SAUNDERS FOUNDATION

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

7500 SAN FELIPE

Room/suite

1070

City or town, state, and ZIP code

HOUSTON

TX 77063

A Employer identification number

76-0574880

B Telephone number (see page 10 of the instructions)

713-914-9778

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

Fair market value of all assets at end

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

line 16) **\$ 4,421,760**J Accounting method ☒ Cash ☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis)

**Part I Analysis of Revenue and Expenses** (Thetotal of amounts in columns (b), (c), and (d) may not necessarily equal  
the amounts in column (a) (see page 11 of the instructions))(a) Revenue and  
expenses per  
books(b) Net investment  
income(c) Adjusted net  
income(d) Disbursements  
for charitable  
purposes  
(cash basis only)

Revenue

- 1 Contributions, gifts, grants, etc., received (attach schedule)
- 2 Check ☒ if the foundation is **not** required to attach Sch B
- 3 Interest on savings and temporary cash investments
- 4 Dividends and interest from securities
- 5a Gross rents
- b Net rental income or (loss)
- 6a Net gain or (loss) from sale of assets not on line 10
- b Gross sales price for all assets on line 6a **714,342**
- 7 Capital gain net income (from Part IV, line 2)
- 8 Net short-term capital gain
- 9 Income modifications
- 10a Gross sales less returns & allowances
- b Less Cost of goods sold
- c Gross profit or (loss) (attach schedule)
- 11 Other income (attach schedule)
- 12 **Total. Add lines 1 through 11**

7,751

7,751

83,763

83,763

131,281

131,281

0

871

871

223,666

223,666

0

Operating and Administrative Expenses

- 13 Compensation of officers, directors, trustees, etc.
- 14 Other employee salaries and wages
- 15 Pension plans, employee benefits
- 16a Legal fees (attach schedule)
- b Accounting fees (attach schedule)
- c Other professional fees (attach schedule)
- 17 Interest
- 18 Taxes (attach schedule) (see page 14 of the instructions)
- 19 Depreciation (attach schedule) and depletion
- 20 Occupancy
- 21 Travel, conferences, and meetings
- 22 Printing and publications
- 23 Other expenses (att. sch.)
- 24 **Total operating and administrative expenses.**  
Add lines 13 through 23
- 25 Contributions, gifts, grants paid
- 26 **Total expenses and disbursements.** Add lines 24 and 25
- 27 Subtract line 26 from line 12
- a **Excess of revenue over expenses and disbursements**
- b **Net investment income** (if negative, enter -0-)
- c **Adjusted net income** (if negative, enter -0-)

142

142

4,319

4,319

6,959

5,230

1,729

16,807

8,963

7,844

159,252

159,252

176,059

8,963

0

167,096

47,607

214,703

0

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

Form 990-PF (2009)

DAA

15

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	837,712	484,826	484,826
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (att. schedule) ▶ SEE WRK 88,120			
		Less allowance for doubtful accounts ▶	96,654	88,120	88,120
	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) SEE STMT 5	2,884,226	3,893,627	3,893,627
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
Liabilities		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) SEE STATEMENT 6	-45,736	-44,813	-44,813
	14	Land, buildings, and equipment basis ▶ 1,685			
		Less accumulated depreciation (attach sch) ▶ STMT 7 1,685	144		
	15	Other assets (describe ▶ )			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	3,773,000	4,421,760	4,421,760
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ )			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	3,773,000	4,421,760	
	30	Total net assets or fund balances (see page 17 of the instructions)	3,773,000	4,421,760	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	3,773,000	4,421,760	

## 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	3,773,000
2	Enter amount from Part I, line 27a	2	47,607
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	601,153
4	Add lines 1, 2, and 3	4	4,421,760
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,421,760

**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.)
<b>1a</b> 870 WELLS FARGO JULY 09 \$26.00 CALLS	D	07/20/09	04/13/09
<b>b</b> 435 WELLS FARGO OCT 09 \$30.00 CALLS	D	09/30/09	07/22/09
<b>c</b> 435 WELLS FARGO NOV 09 \$32.00 CALLS	D	11/23/09	09/30/09
<b>d</b> SALIENT TRUST SEE ATTACHED STMT	P	VARIOUS	VARIOUS
<b>e</b> SALIENT TRUST SEE ATTACHED STMT	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)
<b>a</b> 105,758			105,758
<b>b</b> 16,724		11,797	4,927
<b>c</b> 18,088			18,088
<b>d</b> 360,833		277,171	83,662
<b>e</b> 212,939		294,093	-81,154

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV 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))
<b>a</b>			105,758
<b>b</b>			4,927
<b>c</b>			18,088
<b>d</b>			83,662
<b>e</b>			-81,154

<b>2</b> 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	<b>2</b>	131,281
<b>3</b> 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	<b>3</b>	212,435

**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	197,292	3,581,831	0.055081
2007	73,805	3,693,274	0.019984
2006	70,246	2,934,599	0.023937
2005	79,471	1,565,070	0.050778
2004	24,050	1,355,720	0.017740

<b>2</b> Total of line 1, column (d)	<b>2</b>	0.167520
<b>3</b> 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	<b>3</b>	0.033504
<b>4</b> Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	<b>4</b>	3,319,562
<b>5</b> Multiply line 4 by line 3	<b>5</b>	111,219
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	2,147
<b>7</b> Add lines 5 and 6	<b>7</b>	113,366
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	167,096

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)**

<b>1a</b>	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 instructions)		
<b>b</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	<b>1</b>	2,147
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	0
<b>3</b>	Add lines 1 and 2	<b>3</b>	2,147
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	0
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	2,147
<b>6</b>	Credits/Payments:		
<b>a</b>	2009 estimated tax payments and 2008 overpayment credited to 2009	<b>6a</b>	2,488
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	2,488
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	341
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2010 estimated tax</b> <b>341</b> <b>Refunded</b>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <b>\$</b> _____ (2) On foundation managers <b>\$</b> _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
<b>6</b> 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	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>NONE</b>		
<b>b</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		
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13		
14	The books are in care of ▶ STUART SAUNDERS 7500 SAN FELIPE #1070 Located at ▶ HOUSTON, TX	Telephone no ▶ 713-914-9778 ZIP+4 ▶ 77063		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	▶ 15		

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input 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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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?	N/A	
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? If "Yes," list the years ▶ 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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)	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?	<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)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		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)? ☐ N/A **5b**

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? ☐ Yes ☒ No **6b** 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? ☐ N/A **7b**

**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
FREDERIC M SAUNDERS 515 HUNTERWOOD HOUSTON TX 77024	DIRECTOR 5.00	0	0	0
GAYLE D SAUNDERS 515 HUNTERWOOD HOUSTON TX 77024	DIRECTOR 1.00	0	0	0
MEREDITH S MASON 501 VALE STREET AUSTIN TX 78746	DIRECTOR 1.00	0	0	0
STUART D SAUNDERS 8 SADDLEBROOK LANE HOUSTON TX 77024	DIRECTOR 5.00	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 ☐

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)****3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 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 N/A	
2	
All other program-related investments. See page 24 of the instructions	
3	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	2,646,649
<b>b</b>	Average of monthly cash balances	<b>1b</b>	676,222
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions)	<b>1c</b>	47,243
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	3,370,114
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	3,370,114
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	50,552
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	3,319,562
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	165,978

**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 )

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	165,978
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b>	2,147
<b>b</b>	Income tax for 2009 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	2,147
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	163,831
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	163,831
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	163,831

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	167,096
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	167,096
<b>5</b>	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)	<b>5</b>	2,147
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	164,949

**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
<b>1</b> Distributable amount for 2009 from Part XI, line 7				163,831
<b>2</b> Undistributed income, if any, as of the end of 2009				
<b>a</b> Enter amount for 2008 only				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2009				
<b>a</b> From 2004				
<b>b</b> From 2005				
<b>c</b> From 2006				
<b>d</b> From 2007				
<b>e</b> From 2008	17,550			
<b>f</b> Total of lines 3a through e	17,550			
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 167,096				
<b>a</b> Applied to 2008, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)	3,265			
<b>d</b> Applied to 2009 distributable amount				163,831
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	20,815			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
<b>7</b> 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)				
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	20,815			
<b>10</b> Analysis of line 9.				
<b>a</b> Excess from 2005				
<b>b</b> Excess from 2006				
<b>c</b> Excess from 2007				
<b>d</b> Excess from 2008	17,550			
<b>e</b> Excess from 2009	3,265			

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

<b>1a</b>	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>b</b>	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
<b>2a</b>	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				<b>(e) Total</b>
	<b>Tax year</b>	<b>Prior 3 years</b>			
	<b>(a) 2009</b>	<b>(b) 2008</b>	<b>(c) 2007</b>	<b>(d) 2006</b>	
<b>b</b>	85% of line 2a				
<b>c</b>	Qualifying distributions from Part XII, line 4 for each year listed				
<b>d</b>	Amounts included in line 2c not used directly for active conduct of exempt activities				
<b>e</b>	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
<b>3</b>	Complete 3a, b, or c for the alternative test relied upon:				
<b>a</b>	"Assets" alternative test—enter				
	(1) Value of all assets				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
<b>b</b>	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
<b>c</b>	"Support" alternative test—enter				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
	(3) Largest amount of support from an exempt organization				
	(4) Gross investment income				

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

<b>1</b>	<b>Information Regarding Foundation Managers:</b>
<b>a</b>	List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).) N/A
<b>b</b>	List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest N/A
<b>2</b>	<b>Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:</b>
	Check here <input checked="" type="checkbox"/> 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
<b>a</b>	The name, address, and telephone number of the person to whom applications should be addressed N/A
<b>b</b>	The form in which applications should be submitted and information and materials they should include N/A
<b>c</b>	Any submission deadlines N/A
<b>d</b>	Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors N/A

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

Recipient 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
<b>a</b> Paid during the year SEE STATEMENT 9				159,252
<b>Total</b>			▶ <b>3a</b>	159,252
<b>b</b> Approved for future payment N/A				
<b>Total</b>			▶ <b>3b</b>	

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions )
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount		
<b>1</b> Program service revenue						
<b>a</b> _____						
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>f</b> _____						
<b>g</b> Fees and contracts from government agencies						
<b>2</b> Membership dues and assessments						
<b>3</b> Interest on savings and temporary cash investments			14	7,751		
<b>4</b> Dividends and interest from securities			14	83,763		
<b>5</b> Net rental income or (loss) from real estate						
<b>a</b> Debt-financed property						
<b>b</b> Not debt-financed property						
<b>6</b> Net rental income or (loss) from personal property						
<b>7</b> Other investment income						
<b>8</b> Gain or (loss) from sales of assets other than inventory			18	131,281		
<b>9</b> Net income or (loss) from special events						
<b>10</b> Gross profit or (loss) from sales of inventory						
<b>11</b> Other revenue: <b>a</b> _____						
<b>b</b> NET RENTAL RE INCOME FROM K-1			16	871		
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>12</b> Subtotal. Add columns (b), (d), and (e)		0		223,666		0
<b>13</b> Total. Add line 12, columns (b), (d), and (e)					13	223,666

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

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

[illegible]

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

- 1** Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
- (1)** Cash
- (2)** Other assets
- b** Other transactions
- (1)** Sales of assets to a noncharitable exempt organization
- (2)** Purchases of assets from a noncharitable exempt organization
- (3)** Rental of facilities, equipment, or other assets
- (4)** Reimbursement arrangements
- (5)** Loans or loan guarantees
- (6)** Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- 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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

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

☐ Yes ☒ No

- b If "Yes," complete the following schedule**

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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:

Date \_\_\_\_\_

**Title**

**Sign Here**

**Paid  
Preparer's  
Use Only**Preparer's  
signature

Firm's name (or yours if self-employed), address, and ZIP code

CALLOWAY, STINSON & CO., P.C.  
8554 KATY FREEWAY SUITE 110  
HOUSTON, TX 77024

Date \_\_\_\_\_

05/30/10

Check if  
self-employed ►

Preparer's identifying  
number (see **Signature** on  
page 30 of the instructions)

413-76-0859

EIN ▶ 74-2130498

Phone no 713-468-4133

Form **990-PF** (2009)

## Other Notes and Loans Receivable

Forms  
**990 / 990-PF****2009**

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

Name

Employer Identification Number

SAUNDERS FOUNDATION

76-0574880

## FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION

Name of borrower	Relationship to disqualified person
(1) GEORGE THOMAS 502 FREEPORT	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	96,654	88,120	88,120
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	96,654	88,120	88,120

**Federal Statements**

FYE: 12/31/2009

**Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
NET RENTAL RE INCOME FROM K-1	\$ 871	\$ 871	\$
TOTAL	<u>\$ 871</u>	<u>\$ 871</u>	<u>\$ 0</u>

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$ 5,387	\$ 3,591	\$	\$ 1,796
TOTAL	<u>\$ 5,387</u>	<u>\$ 3,591</u>	<u>\$ 0</u>	<u>\$ 1,796</u>

**Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation**

Prior Year Depreciation	Description	Method	Life	Current Year Depreciation	Date Acquired	Cost Basis	Net Investment Income	Adjusted Net Income
DEPRECIATION							\$	
\$				\$ 142		\$		
TOTAL							<u>\$ 0</u>	
<u>\$ 0</u>				<u>\$ 142</u>		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



**Federal Statements**

FYE: 12/31/2009

**Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
DUES & SUBSCRIPTIONS	495	495		
INVESTMENT FEES	2,755	2,755		
MISCELLANEOUS FEES	1,980	1,980		
STUDENT ORIENTATION	1,729			1,729
TOTAL	\$ 6,959	\$ 5,230	\$ 0	\$ 1,729

**Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
UBS FINANCIAL SERVICES #52986	\$ 2,688,205	\$ 2,848,920		\$ 2,848,920
SALIENT TRUST #771700	196,021	580,699		580,699
INTERACTIVE BROKERS		464,008		464,008
TOTAL	\$ 2,884,226	\$ 3,893,627		\$ 3,893,627

**Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STC REAL ESTATE PARTNERS	\$ -45,736	\$ -44,813	COST	\$ -44,813
TOTAL	\$ -45,736	\$ -44,813		\$ -44,813

**Federal Statements**

FYE: 12/31/2009

**Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
COMPUTER	\$ 87	\$ 1,432	\$ 1,432	\$
SOFTWARE	57	253	253	
TOTAL	\$ 144	\$ 1,685	\$ 1,685	\$ 0

**Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
FAIR MARKET VALUE ADJUSTMENTS	\$ 601,153
TOTAL	\$ 601,153

**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Relationship	Status	Address	Purpose	Amount
AMY FLORES	NONE	STUDENT	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,812
CRYSTAL CASTELLANO	NONE	STUDENT	C/O 7500 AN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,019
AURELIA CORTEZ	NONE	STUDENT	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	1,327
LISSETH GARCIA	NONE	STUDENT	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	9,291
LUZ RAMIREZ	NONE	STUDENT	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	2,517
SONYA VILLEGAS	NONE	STUDENT	C/O 7500 SAN FELIPE COLLEGE SCHOLARSHIP	HOUSTON TX 77063	15,666
LIGHTHOUSE OF HOUSTON	NONE	PUBLIC CHARI	3602 W DALLAS PUBLIC CHARITY	HOUSTON TX 77019	1,500
CHI OMEGA FOUNDATION	NONE	PUBLIC CHARI	PO BOX 27543 PUBLIC CHARITY	HOUSTON TX 77227-7543	14,000
FIRST UNITED METHODIST CH	NONE	CHURCH	1101 DOHERTY RELIGION	MISSION TX 78572	3,000
THE BRIANNA BADGER FOUNDA	NONE	PUBLIC CHARI	508 E TEMPLE STE 20 PULBIC CHARITY	SALT LAKE CITY UT 84102	500
HILLSDALE COLLEGE	NONE	COLLEGE	33 EAST COLLEGE ST EDUCATION	HILLSDALE MI 49242	1,000
THE 100 CLUB	NONE	PUBLIC CHARI	1233 WEST LOOP SOUTH PUBLIC CHARITY	HOUSTON TX 77027	500
EANES ELEMENTARY PTO	NONE	SCHOOL	4101 BEES CAVES RD EDUCATION	AUSTIN TX 78746	5,000
INSTITUTE OF SHIPBOARD ED	NONE	SCHOOL	811 WILLIAM PITT UNION, U EDUCATION	PITTSBURG PA 15260	37,500
SCHREINER UNIVERSITY	NONE	UNIVERSITY	2100 MEMORIAL BLVD EDUCATION	KERRVILLE TX 78028	5,750

## Federal Statements

FYE: 12/31/2009

**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)**

Name	Relationship	Status	Address	Purpose	Amount
THE RISE SCHOOL	NONE	SCHOOL	8080 NORTH STADIUM DR	HOUSTON TX 77054	20,150
THE CENTER	NONE	PUBLIC CHARI	3550 W DALLAS	HOUSTON TX 77019	8,130
JUVENILE DIABETES RESEARC	NONE	PUBLIC CHARI	2425 FOUNTAIN VIEW STE 28	HOUSTON TX 77057	5,000
EAST WACO GREENWOOD CEMET	NONE	PUBLIC CHARI	PO BOX 154115	WACO TX 76715-4115	500
SEMESTER AT SEA	NONE	SCHOOL	PO BOX 400885	CHARLOTTESVILLE VA 22904	2,500
THE TEXAS A&M FOUNDATION	NONE	UNIVERSITY	401 GEORGE BUSH DRIVE	COLLEGE STATION TX 77840	100
HOUSTON HOSPICE	NONE	PUBLIC CHARI	1905 HOLCOMBE	HOUSTON TX 77030	100
CASNER CHRISTIAN ACADEMY	NONE	SCHOOL	3838 STECK AVENUE	AUSTIN TX 78759	1,000
FIRST PRESBYTERIAN CHURCH	NONE	CHURCH	5300 MAIN ST	HOUSTON TX 77004	200
TRINTARIAN CONGREGATIONAL	NONE	CHURCH	PO BOX 108	CASTINE ME 04421	200
AMERICAN HEART ASSOCIATIO	NONE	PUBLIC CHARI	10060 BUFFALO SPEEDWAY	HOUSTON TX 77054	100
PINE COVE PROJECT 319	NONE	PUBLIC CHARI	PO BOX 9055	TYLER TX 75711	635
HELPING A HERO	NONE	PUBLIC CHARI	PO BOX 890786	HOUSTON TX 77289	1,000
AMERICAN DIABETES ASSOCIA	NONE	PUBLIC CHARI	2400 AUGUSTA DR	HOUSTON TX 77057	50
BAPTIST CHILDRENS VILLAGE	NONE	CHURCH	PO BOX 27	CLINTON MS 39060-0027	205
HOUSTON PANHELLENIC FOUND	NONE	UNIVERSITY	BOX 342, 5868 A-1 WESTHEI	HOUSTON TX 77057	3,000
TOTAL					159,252

**Federal Statements**

FYE: 12/31/2009

**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
FREEPORT NOTE RECEIVABLE	\$ 7,656		14	
REAL ESTATE PARTNERS K-1	52		14	
NORTHERN TRUST BANK	43		14	
TOTAL	<u>\$ 7,751</u>			

**Taxable Dividends from Securities**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
NORTHERN TRUST BANK	\$ 10		14	
SALIENT TRUST	27,703		14	
UBS #52986	42,966		14	
UBS #13296	34		14	
INTERACTIVE BROKETS	13,050		14	
TOTAL	<u>\$ 83,763</u>			

# Tax Worksheet

(Tax Yr: 2009 Version: Client)

Tax ID: 760574880

Acct#: 771700

Account Name: THE SAUNDERS FOUNDATION AGENCY

Administrator: MAURY OLIVER

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	Opt
<b>Short Gain</b>													
771700	AVALON BAY COMMUNITIES	053484101	200.0000	1/13/2009	PURCHASE	1/28/2009	2009	Short	11,420.58	10,300.38	1,120.20		
771700	AMB INDUSTRIAL	00163T109	500.0000	3/25/2009	PURCHASE	4/2/2009	2009	Short	7,704.96	6,075.00	1,629.96		
771700	VORNADO REALTY TRUST	929042109	0.3394	3/12/2009	PURCHASE	4/3/2009	2009	Short	13.67	10.89	2.78		
771700	FEDERAL REALTY	313747206	200.0000	2/25/2009	PURCHASE	4/16/2009	2009	Short	12,056.85	8,439.56	3,617.29		
771700	FEDERAL REALTY	313747206	100.0000	3/4/2009	PURCHASE	4/16/2009	2009	Short	6,028.42	4,081.34	1,947.08		
771700	U STORE IT TRUST	91274F104	2,000.0000	3/5/2009	PURCHASE	5/7/2009	2009	Short	6,523.03	2,912.80	3,610.23		
771700	SIMON PPTY GROUP	828806109	0.5606	3/19/2009	PURCHASE	7/15/2009	2009	Short	28.16	19.03	9.13		
771700	HOST HOTELS & RESORTS	44107P104	1,000.0000	2/19/2009	PURCHASE	7/23/2009	2009	Short	8,651.08	4,920.00	3,731.08		
771700	VENTAS INC	92276F100	500.0000	4/8/2009	PURCHASE	7/23/2009	2009	Short	15,929.64	11,779.90	4,149.74		
771700	FEDERAL REALTY	313747206	200.0000	7/2/2009	PURCHASE	7/28/2009	2009	Short	11,062.45	10,014.26	1,048.19		
771700	FEDERAL REALTY	313747206	100.0000	7/9/2009	PURCHASE	7/28/2009	2009	Short	5,531.23	4,936.72	594.51		
771700	AVALON BAY COMMUNITIES	053484101	300.0000	2/3/2009	PURCHASE	7/30/2009	2009	Short	17,881.70	15,539.88	2,341.82		
771700	MACK-CALI REALTY CORP.	554489104	500.0000	1/21/2009	PURCHASE	8/11/2009	2009	Short	15,339.40	10,166.90	5,172.50		
771700	SIMON PPTY GROUP	828806109	16.0000	3/19/2009	PURCHASE	9/15/2009	2009	Short	1,137.24	543.00	594.24		

# Tax Worksheet

(Tax Yr: 2009 Version: Client)

**Tax ID:** 760574880

**Acct#:** 771700

**Account Name:** THE SAUNDERS FOUNDATION AGENCY

**Administrator:** MAURY OLIVER

**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
771700	SIMON PPTY GROUP	828806109	6.0000	6/19/2009	PURCHASE	9/15/2009	2009	Short	426.46	317.25	109.21		
771700	SIMON PPTY GROUP	828806109	28.0000	7/9/2009	PURCHASE	9/15/2009	2009	Short	1,990.17	1,340.88	649.29		
771700	BRE PROPERTIES	05564E106	1,000.0000	6/3/2009	PURCHASE	9/15/2009	2009	Short	30,007.83	24,797.60	5,210.23		
771700	TAUBMAN CENTERS	876664103	400.0000	9/16/2009	PURCHASE	9/16/2009	2009	Short	14,868.54	14,499.52	369.02		
771700	DOUGLAS EMMETT INC.	25960P109	50.0000	10/22/2008	PURCHASE	9/17/2009	2009	Short	687.80	670.25	17.55		
771700	DOUGLAS EMMETT INC.	25960P109	350.0000	12/2/2008	PURCHASE	9/17/2009	2009	Short	4,814.58	3,115.46	1,699.12		
771700	DOUGLAS EMMETT INC.	25960P109	500.0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	6,877.97	5,286.90	1,591.07		
771700	DOUGLAS EMMETT INC.	25960P109	500.0000	5/13/2009	PURCHASE	9/17/2009	2009	Short	6,877.97	4,551.00	2,326.97		
771700	EQUITY RESIDENTIAL	29476L107	500.0000	11/13/2008	PURCHASE	9/17/2009	2009	Short	15,969.74	14,349.40	1,620.34		
771700	EQUITY RESIDENTIAL	29476L107	100.0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	3,193.95	2,553.00	640.95		
771700	HCP, INC.	40414L109	500.0000	11/25/2008	PURCHASE	9/17/2009	2009	Short	14,812.07	9,570.10	5,241.97		
771700	HCP, INC.	40414L109	200.0000	7/9/2009	PURCHASE	9/17/2009	2009	Short	5,924.83	4,157.26	1,767.57		
771700	MACERICH	554382101	300.0000	11/6/2008	PURCHASE	9/17/2009	2009	Short	9,900.65	8,393.40	1,507.25		
771700	MACERICH	554382101	200.0000	1/22/2009	PURCHASE	9/17/2009	2009	Short	6,600.43	3,419.70	3,180.73		
771700	MACERICH	554382101	800.0000	3/19/2009	PURCHASE	9/17/2009	2009	Short	26,401.72	6,776.00	19,625.72		
771700	MACERICH	554382101	200.0000	6/11/2009	PURCHASE	9/17/2009	2009	Short	6,600.43	3,966.84	2,633.59		
771700	MACERICH	554382101	53.0000	6/22/2009	PURCHASE	9/17/2009	2009	Short	1,749.11	1,059.61	689.50		
771700	CAMDEN PROPERTY TR	133131102	200.0000	11/26/2008	PURCHASE	9/18/2009	2009	Short	8,253.41	4,891.62	3,361.79		

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**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
771700	VORNADO REALTY TRUST	929042109	0.2444	9/14/2009	PURCHASE	9/22/2009	2009	Short	16.82	13.26	3.56		
771700	MACERICH	554382101	0.2199	9/21/2009	PURCHASE	9/24/2009	2009	Short	6.84	6.27	0.57		
771700	MACERICH	554382101	29.0000	9/21/2009	PURCHASE	9/29/2009	2009	Short	913.93	826.79	87.14		
771700	SIMON PPTY GROUP	828806109	0.2497	9/18/2009	PURCHASE	10/16/2009	2009	Short	16.82	16.60	0.22		
771700	SOVRAN SELF STORAGE INC.	84610H108	700.0000	11/12/2009	PURCHASE	12/2/2009	2009	Short	23,623.48	21,132.93	2,490.55		
771700	AVALON BAY COMMUNITIES	053484101	500.0000	10/29/2009	PURCHASE	12/21/2009	2009	Short	40,416.81	34,150.80	6,266.01		
771700	KIMCO REALTY	49446R109	200.0000	3/19/2009	PURCHASE	12/21/2009	2009	Short	2,583.75	1,728.90	854.85		
771700	VORNADO REALTY TRUST	929042109	0.0181	12/15/2009	PURCHASE	12/23/2009	2009	Short	1.29	1.24	0.05		
										<b>352,845.80</b>	<b>261,332.23</b>	<b>91,513.57</b>	
771700	<u>Short Loss</u> PENN REAL ESTATE INVEST TRUST	709102107	1,000.0000	10/9/2008	PURCHASE	4/2/2009	2009	Short	3,960.17	10,883.40	-6,923.22		
771700	PENN REAL ESTATE INVEST TRUST	709102107	1,000.0000	11/25/2008	PURCHASE	4/2/2009	2009	Short	3,960.18	4,882.00	-921.82		
771700	VORNADO REALTY TRUST	929042109	0.9428	6/12/2009	PURCHASE	6/17/2009	2009	Short	41.47	45.35	-3.88		
771700	MACERICH	554382101	0.4900	6/22/2009	PURCHASE	6/24/2009	2009	Short	8.18	9.80	-1.62		
771700	SIMON PPTY GROUP	828806109	0.3427	6/19/2009	PURCHASE	7/15/2009	2009	Short	17.21	18.12	-0.91		
										<b>7,987.20</b>	<b>15,838.66</b>	<b>-7,851.45</b>	
771700	<u>Long Gain</u> SIMON PPTY	828806109	0.5606	7/25/2002	PURCHASE	4/14/2009	2009	Long	22.80	17.60	5.20		

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Account Name: THE SAUNDERS FOUNDATION AGENCY  
Acct#: 771700  
Administrator: MAURY OLIVER  
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
GROUP													
771700	SIMON PPTY GROUP	828806109	0.4394	7/25/2002	PURCHASE	7/15/2009	2009	Long	22.07	13.80	8.27		
771700	PUBLIC STORAGE, INC.	74460D109	400.0000	8/9/2002	PURCHASE	7/30/2009	2009	Long	29,034.25	12,864.00	16,170.25		
771700	SIMON PPTY GROUP	828806109	99.0000	7/25/2002	PURCHASE	9/15/2009	2009	Long	7,036.65	3,108.60	3,928.06		
771700	SIMON PPTY GROUP	828806109	250.0000	8/1/2002	PURCHASE	9/15/2009	2009	Long	17,769.34	8,916.70	8,852.64		
771700	SIMON PPTY GROUP	828806109	150.0000	9/25/2002	PURCHASE	9/15/2009	2009	Long	10,661.61	5,383.50	5,278.11		
771700	HCP, INC.	40414L109	500.0000	7/27/2007	PURCHASE	9/17/2009	2009	Long	14,812.07	12,977.65	1,834.42		
										79,358.79	43,281.85	36,076.95	
<u>Long Loss</u>													
771700	U STORE IT TRUST	91274F104	3,000.0000	8/22/2007	PURCHASE	5/7/2009	2009	Long	9,784.55	37,131.42	-27,346.87		
771700	HOST HOTELS & RESORTS	44107P104	499.4600	7/27/2004	PURCHASE	7/23/2009	2009	Long	4,320.86	6,554.41	-2,233.54		
771700	HOST HOTELS & RESORTS	44107P104	1,000.0000	10/14/2004	PURCHASE	7/23/2009	2009	Long	8,651.08	14,550.00	-5,898.92		
771700	HOST HOTELS & RESORTS	44107P104	306.1000	5/4/2005	FREEREC	7/23/2009	2009	Long	2,648.09	5,590.00	-2,941.91		
771700	HOST HOTELS & RESORTS	44107P104	122.4400	8/24/2005	FREEREC	7/23/2009	2009	Long	1,059.24	2,238.40	-1,179.16		
771700	HOST HOTELS & RESORTS	44107P104	72.0000	4/12/2006	PURCHASE	7/23/2009	2009	Long	622.88	1,451.69	-828.81		
771700	MACERICH	554382101	300.0000	1/26/2005	PURCHASE	8/4/2009	2009	Long	6,299.42	16,118.75	-9,819.33		
771700	MACERICH	554382101	200.0000	3/9/2005	PURCHASE	8/4/2009	2009	Long	4,199.61	11,486.84	-7,287.23		
771700	MACERICH	554382101	100.0000	9/26/2005	PURCHASE	8/7/2009	2009	Long	2,742.14	6,271.97	-3,529.82		



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**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
771700	MACERICH	554382101	50.0000	10/11/2005	PURCHASE	8/7/2009	2009	Long	1,371.08	3,107.26	-1,736.18		
771700	MACERICH	554382101	50.0000	6/5/2007	PURCHASE	8/7/2009	2009	Long	1,371.08	4,482.95	-3,111.87		
771700	SIMON PPTY GROUP	828806109	100.0000	7/11/2007	PURCHASE	9/15/2009	2009	Long	7,107.74	9,055.44	-1,947.70		
771700	SIMON PPTY GROUP	828806109	100.0000	2/29/2008	PURCHASE	9/15/2009	2009	Long	7,107.74	8,436.58	-1,328.84		
771700	HCP, INC.	40414L109	500.0000	10/3/2007	PURCHASE	9/17/2009	2009	Long	14,812.07	16,950.00	-2,137.93		
771700	DOUGLAS EMMETT INC.	25960P109	1,000.0000	4/24/2008	PURCHASE	9/17/2009	2009	Long	13,755.94	23,566.80	-9,810.86		
771700	DOUGLAS EMMETT INC.	25960P109	500.0000	5/27/2008	PURCHASE	9/17/2009	2009	Long	6,877.97	12,034.70	-5,156.73		
771700	DOUGLAS EMMETT INC.	25960P109	100.0000	7/15/2008	PURCHASE	9/17/2009	2009	Long	1,375.59	2,047.86	-672.27		
771700	CAMDEN PROPERTY TR	133131102	800.0000	6/20/2007	PURCHASE	9/18/2009	2009	Long	33,013.63	55,516.72	-22,503.09		
771700	KIMCO REALTY	49446R109	500.0000	10/7/2008	PURCHASE	12/21/2009	2009	Long	6,459.38	14,219.45	-7,760.07		
									<b>133,580.07</b>	<b>250,811.22</b>	<b>-117,231.13</b>		
<b>Total:</b>									<b>573,771.86</b>	<b>571,263.96</b>	<b>2,507.94</b>		

### Gain/Loss Summary

Short Term Gain	91,513.57
Short Term Losses	-7,851.45
<b>Net Short Term Gain/Loss</b>	<b>83,662.12</b>
Long Term Gain	36,076.95
Long Term Gain Distribution	0.00