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Form **990-PF**Department of the Treasury
Internal Revenue Service (77)**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2009

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

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

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation David B Hendricks II Foundation		A Employer identification number 76-0619640
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 281-580-1247
	15100 Diamondhead Road		
	City or town, state, and ZIP code Montgomery TX 77356		
H Check type of organization: ☐ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☒ Other taxable private foundation			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 ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 719,895		J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)	5,000			
2 Check ☐ if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	225	225	225	
4 Dividends and interest from securities	29,279	29,279	29,279	
5 a Gross rents		0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	14,005			
b Gross sales price for all assets on line 6a	198,578			
7 Capital gain net income (from Part IV, line 2)		14,005		
8 Net short-term capital gain			0	
9 Income modification				
10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0			
c Gross profit (loss) (attach schedule)	0			
11 Other income (attach schedule)	3,403	2,095	3,403	
12 Total. Add lines 1 through 11	51,912	45,604	32,907	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	585	0	585	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see page 11 of the instructions)	467	267	467	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	700	0	700	0
24 Total operating and administrative expenses. Add lines 13 through 23	1,752	267	1,752	0
25 Contributions, gifts, grants paid	41,000			41,000
26 Total expenses and disbursements. Add lines 24 and 25	42,752	267	1,752	41,000
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	9,160			
b Net investment income (if negative, enter -0-)		45,337		
c Adjusted net income (if negative, enter -0-)			31,155	

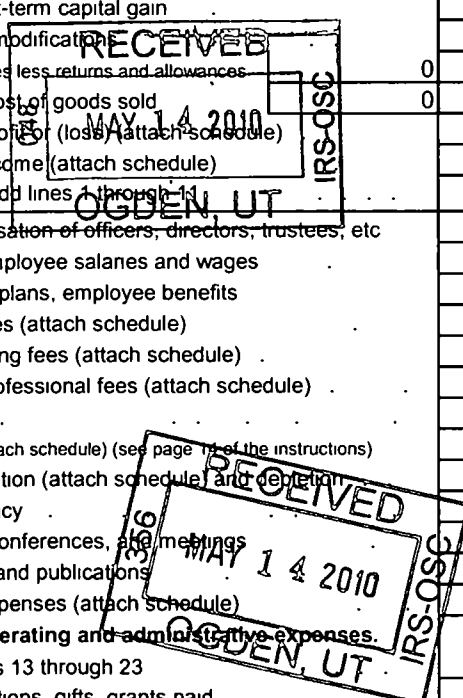
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Form 990-PF (2009)

(HTA)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	138,455	86,263	86,263
	2	Savings and temporary cash investments			
	3	Accounts receivable			
		Less allowance for doubtful accounts	0	0	0
	4	Pledges receivable			
		Less allowance for doubtful accounts	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule)			
		Less allowance for doubtful accounts	0	0	0
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	312,478	323,925	314,925
	c	Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11	Investments—land, buildings, and equipment basis			
		Less accumulated depreciation (attach schedule)	0	0	0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	269,354	318,707	318,707
	14	Land, buildings, and equipment: basis			
		Less accumulated depreciation (attach schedule)	0	0	0
	15	Other assets (describe)	0	0	0
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	720,287	728,895	719,895
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Net Assets or Fund Balances	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe)	0	0	
	23	Total liabilities (add lines 17 through 22)	0	0	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
Net Assets or Fund Balances	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	1,007,268	1,007,268	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	-286,981	-278,373	
	30	Total net assets or fund balances (see page 17 of the instructions)	720,287	728,895	
Net Assets or Fund Balances	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	720,287	728,895	

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	720,287
2	Enter amount from Part I, line 27a	2	9,160
3	Other increases not included in line 2 (itemize)	3	0
4	Add lines 1, 2, and 3	4	729,447
5	Decreases not included in line 2 (itemize) Timing Differences	5	552
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	728,895

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SMH STCG	P		
b SMH LTCG (see attached)	P		
c Texan Capital STCG (see attached)	P		
d Texan Capital LTCG (see attached)	P		
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 50,611	0	43,851	6,760
b 17,963	0	10,354	7,609
c 79,680	0	77,106	2,574
d 50,015	0	53,262	-3,247
e 0	0	0	0

(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))
a 0	0	0	6,760
b 0	0	0	7,609
c 0	0	0	2,574
d 0	0	0	-3,247
e 0	0	0	0

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	14,005
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }	3	0

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	42,282	656,332	0.064422
2007	38,500	785,795	0.048995
2006	39,250	756,518	0.051882
2005	37,275	740,817	0.050316
2004	26,250	740,083	0.035469

2 Total of line 1, column (d)	2	0.251084
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	0.050217
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	663,867
5 Multiply line 4 by line 3	5	33,337
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	453
7 Add lines 5 and 6	7	33,790
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	41,000

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	453
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3 Add lines 1 and 2		3	453
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	453
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	168	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	168	
8 Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	0	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed <i>paid with EFTPS</i>	9	285	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <i>0</i> Refunded	11	0	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		
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)? <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>		
c Did the foundation file Form 1120-POL for this year?		
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <i>\$</i> _____ (2) On foundation managers <i>\$</i> _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <i>\$</i> _____		
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>		
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, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <i>TX</i>		
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>		
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ► N/A				
14	The books are in care of ► David Hendricks Telephone no ► 281-580-1247			
Located at ► 15100 Diamondhead Rd Montgomery TX ZIP+4 ► 77356				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	1b	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?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐ **5b** N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945–5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870 **6b** X

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 **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
David B. Hendricks 15100 Diamondhead Rd. Montgomery TX 7735	Director 1 00	0	0	0
	00	0	0	0
	00	0	0	0
	00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

Total number of other employees paid over \$50,000 1

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
		0

Total number of others receiving over \$50,000 for professional services ▶ 1

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	
2	
All other program-related investments See page 24 of the instructions	
3	0
Total. Add lines 1 through 3 ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	267,587
b	Average of monthly cash balances	1b	112,359
c	Fair market value of all other assets (see page 24 of the instructions)	1c	294,031
d	Total (add lines 1a, b, and c)	1d	673,977
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	673,977
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	10,110
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	663,867
6	Minimum investment return. Enter 5% of line 5	6	33,193

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	33,193
2a	Tax on investment income for 2009 from Part VI, line 5	2a	453
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	453
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	32,740
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	32,740
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	32,740

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	41,000
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	41,000
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 page 26 of the instructions)	5	453
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	40,547

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

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				32,740
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	10,803			
b From 2005	1,189			
c From 2006	2,800			
d From 2007	1,159			
e From 2008	9,631			
f Total of lines 3a through e	25,582			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 41,000				
a Applied to 2008, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				32,740
e Remaining amount distributed out of corpus	8,260			
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.	33,842			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	10,803			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	23,039			
10 Analysis of line 9				
a Excess from 2005	1,189			
b Excess from 2006	2,800			
c Excess from 2007	1,159			
d Excess from 2008	9,631			
e Excess from 2009	8,260			

N/A

- N/A

☐ 4942(1)(3) or ☐ 4942(1)(5)

- | Tax year | Prior 3 years | | | (e) Total |
|----------|---------------|----------|----------|-----------|
| (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | |
| 0 | 0 | | | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | | | 0 |
| | | | | 0 |
| | | | | |
| 0 | 0 | 0 | 0 | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| 0 | 0 | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>				
Youth Reach Houston			Provide Some Fin'l	
P.O. Box 9631 Houston TX 77213		Sec. 501(c)(3)	Support	6,000
Childrens' Center for Self Esteem			Provide Some Fin'l	
2611 FM 1960 W , Suite H201 Houston TX 77068		Sec. 501(c)(3)	Support	5,000
YWCA of Eastern Union			Provide Some Fin'l	
1131 E Jersey Street Elizabeth NJ 07201		Sec. 501(c)(3)	Support	5,000
The Conservation Fund			Provide Some Fin'l	
1655 N Fort Myer Dr. #1300 Arlington VA 22209		Sec. 501(c)(3)	Support	1,250
The Nature Conservancy			Provide Some Fin'l	
4245 N. Fairfax Dr., Suite 100 Arlington VA 22203		Sec. 501(c)(3)	Support	1,250
Young Life			Provide Some Fin'l	
P.O. Box 2920 Colorado Springs CO 80901		Sec. 501(c)(3)	Support	500
TAMU Foundation, RE Scholarship Acct.			Provide Some Fin'l	
413 Wehner Bldg. College Station TX 77843		Sec. 501(c)(3)	Support	2,000
Texas Christian University			Provide Some Fin'l	
TCU Box 297044 Fort Worth TX 76129		Sec. 501(c)(3)	Support	10,000
SMC Foundation			Provide Some Fin'l	
1900 Pico Blvd. Santa Monica CA 90404		Sec. 501(c)(3)	Support	5,000
Cypress Creek Christian Church			Provide Some Fin'l	
6823 Cypresswood Dr. Spring TX 77379		Sec. 501(c)(3)	Support	5,000
				0
				0
				0
				0
				0
				0
				0
Total			3a	41,000
b <i>Approved for future payment</i>				
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a _____		0		0	0
b _____		0		0	0
c _____		0		0	0
d _____		0		0	0
e _____		0		0	0
f _____		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	225	
4 Dividends and interest from securities			14	29,279	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	2,095	
8 Gain or (loss) from sales of assets other than inventory			14	14,005	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a _____		0		0	0
b _____		0		0	0
c _____		0		0	0
d _____		0		0	0
e _____		0		0	0
12 Subtotal. Add columns (b), (d), and (e)		0		45,604	0
13 Total. Add line 12, columns (b), (d), and (e)				45,604	45,604

(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]

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

David B Hendricks II Foundation

Employer identification number

76-0619640

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☒ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

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

Name of organization David B Hendricks II Foundation	Employer identification number 76-0619640
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Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	David B Hendricks 15100 Diamondhead Road Montgomery TX 77356 Foreign State or Province Foreign Country	\$ 5,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
2	 Foreign State or Province Foreign Country	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
3	 Foreign State or Province Foreign Country	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
4	 Foreign State or Province Foreign Country	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
5	 Foreign State or Province Foreign Country	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
6	 Foreign State or Province Foreign Country	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Line 11 (990-PF) - Other Income

		3,403	2,095	3,403
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Net P/T Income from K1s	417	417	417
2			0	
3			0	
4	SMH N/T Distribution	1,058	0	1,058
5			0	
6			0	
7			0	
8	Texan Capital N/T Distribution	250	0	250
9			0	
10	Settlement Payments	1,678	1,678	1,678

Line 18 (990-PF) - Taxes

		467		267	467	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes	
1	Federal Income Tax	200		200		
2	Foreign Income Taxes	267	267	267		
3						
4						
5						
6						
7						
8						
9						
10						

Line 23 (990-PF) - Other Expenses

	Description	700 Revenue and Expenses per Books	0 Net Investment Income	700 Adjusted Net Income	0 Disbursements for Charitable Purposes
1	Amortization. See attached statement	0	0	0	0
2	Fund Raising				
3	ASF Membership	495		495	
4	Travel	205		205	
5					
6					
7					
8					
9					
10					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		312,478	323,925	220,249	314,925
	Description	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	SMH Stock	89,137	100,574	40,955	90,865
2	SMH Mutual Funds	0	31,543	0	37,753
3	Texas Capital Stock (Schwab)	223,341	191,808	179,294	186,307
4					
5					
6					
7					
8					
9					
10					

Part II, Line 13 (990-PF) - Investments - Other

		269,354	318,707	318,707
	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year
1	Revista Note	FMV	250,000	300,000
2	Partnership Capital Accounts		19,354	18,707
3				
4				
5				
6				
7				
8				
9				
10				

SCHEDULE of REALIZED GAINS and LOSSES

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
Short Term								
10/16/09	08/05/09	SELL	PETROHAWK ENERGY CORP COM	HK	500,000	11,432.25	13,738.49	2,306.24
10/19/09	08/05/09	SELL	PETROHAWK ENERGY CORP COM	HK	500,000	11,432.25	13,825.94	2,393.69
11/25/09	11/20/09	SELL	PETROHAWK ENERGY CORP COM	HK	1,000,000	20,986.50	23,046.40	2,059.90
Total Short Term						43,851.00	50,610.83	6,759.83
Long Term								
12/01/09	06/06/08	SELL	KMG CHEMICALS INC	KMGB	1,000,000	10,353.70	17,962.53	7,608.83
Total Long Term						10,353.70	17,962.53	7,608.83
Total Short Term and Long Term						54,204.70	68,573.36	14,368.66

The Schedule of Realized Gains and Losses is not reported to the IRS. This Schedule may not reflect all cost basis adjustments necessary for tax reporting purposes, for example, it does not reflect disallowed losses from wash sale events. Adjustments to cost basis may have been made for prior income received and subsequently reclassified by the issuer as a return of capital. Typically these adjustments are received after year-end and there may be differences in cost basis reflected on your monthly client brokerage statement at year end versus any subsequent reports or online displays you may have available to you. Return of capital information has been obtained from sources we believe to be reliable.

When you report your cost basis on your tax return, it should be verified with your own records. In particular, there may be other adjustments which you need to make and you should consult with your tax advisor in order to properly report your gain or loss for tax purposes. Pershing shall not be responsible for and makes no representations or warranties with respect to the accuracy of any information that you report to the IRS or other taxing authorities, and, accordingly, disclaims any and all liability that may arise with respect to your use and reliance on the information provided herein for such reporting.

There may be differences between the Schedule of Realized Gains and Losses and 1099 reporting. Below are some of the reasons for these differences:

- ♦ **Account Number Changes** - If your account number changed during the year, the Schedule of Realized Gains and Losses may have been transferred from the original account to the new account. The new account will provide you with the complete Schedule of Realized Gains and Losses. However, you will receive a complete 1099 for each account open during the year.
- ♦ **Corporate Actions** - For corporate actions, especially cash and stock mergers, the Schedule of Realized Gains and Losses may report the economic gain or loss resulting from the transaction, including the value of any stock or securities received. Thus, the Schedule of Realized Gains and Losses may report no capital gain, a capital gain equal to the difference between the original cost basis versus the fair market value of the new security, or a capital gain equal to the cash received, depending on the terms of the corporate action. In all events, however, the 1099 will only report the cash portion of the corporate action.
- ♦ **Cost Basis Service Enrollment** - The Schedule of Realized Gains and Losses will only be displayed for closing transactions during the period the account was enrolled in the cost basis service. However, proceeds will be reported on the 1099 for the full year.



TEXAN CAPITAL MANAGEMENT, INC

Realized Gains and Losses
Fiscal Year Ending 12/31/2009

David B Hendricks, II Foundation Schwab Account

Realized Gains and Losses

Description	Date Acquired	Date Sold	Quantity	Net Proceeds	Cost	Short Term Gains	Long Term Gains Pre-5	Long Term Gains Post-5/5	Total Long Gains	Total Gains
News Corp Ltd	12/15/2006	01/15/2009	300.00	2,566.03	6,711.00			-4,144.97	-4,144.97	-4,144.97
S&P 500 SPDR ETF	12/03/2008	02/12/2009	150.00	12,363.98	12,762.30	-398.32				-398.32
ProShares UltraShort 20+ Year Par 0.00	12/05/2008	05/20/2009	200.00	9,959.79	8,515.15	1,444.64				1,444.64
Caterpillar Inc	12/03/2008	08/06/2009	150.00	7,030.01	5,973.15	1,056.86				1,056.86
Int'l Business Machines Corp	08/08/2007	08/06/2009	100.00	11,704.82	11,430.67			274.15	274.15	274.15
Rydex 2x S&P 500 ETF	06/04/2009	08/06/2009	230.00	6,007.52	5,358.25	649.27				649.27
Rydex 2x S&P 500 ETF	06/04/2009	08/06/2009	400.00	10,447.85	9,345.00	1,102.85				1,102.85
			630.00	16,455.37	14,703.25	1,752.12				1,752.12
Wells Fargo & Co	12/05/2008	08/06/2009	300.00	8,325.73	8,431.65	-105.92				-105.92
Wells Fargo & Co	12/08/2008	08/06/2009	175.00	4,856.68	5,411.58	-554.90				-554.90
			475.00	13,182.41	13,843.23	-660.82				-660.82
SCOR SE ord	12/05/2005	08/10/2009	300.00	7,423.35	6,007.36			1,415.99	1,415.99	1,415.99
SCOR SE ord	02/14/2007	08/10/2009	300.00	7,423.35	8,388.75			-965.40	-965.40	-965.40
SCOR SE ord	02/28/2007	08/10/2009	300.00	7,423.35	7,954.05			-530.70	-530.70	-530.70
			900.00	22,270.05	22,350.16			-80.11	-80.11	-80.11
Rydex 2x S&P 500 ETF	08/12/2009	08/17/2009	200.00	5,061.86	5,369.55	-307.69				-307.69

Realized Gains and Losses Fiscal Year Ending 12/31/2009

David B Hendricks, II Foundation Schwab Account

Realized Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Quantity</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Short Term Gains</u>	<u>Long Term Gains Pre-5</u>	<u>Long Term Gains Post-5/5</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
BB&T Corp	07/25/2008	08/21/2009	250 00	7,009 58	6,850.43			159 15	159 15	159 15
BB&T Corp	12/05/2008	08/21/2009	300 00	8,411 50	8,331.21	80.29				80.29
			550 00	15,421 08	15,181 64	80 29		159 15	159 15	239 44
Rydex Inverse 2x S&P 500	08/17/2009	09/04/2009	100 00	7,215 54	7,608 00	-392.46				-392.46
Barrick Gold Corp	09/20/2007	11/24/2009	150 00	6,464.53	5,919 45			545 08	545 08	545 08
Short Term Gains				79,680.46	77,105 84	2,574 62				
Long Term Gains Pre-5/6										
Long Term Gains Post-5/5				50,015 01	53,261.71			-3,246.70	-3,246 70	
Total Long Gains				50,015.01	53,261.71					
Total (Sales)				129,695 47	130,367 55	2,574 62		-3,246.70	-3,246 70	-672.08
Total Gains						2,574.62		-3,246.70	-3,246.70	-672.08

This information has been obtained from external sources, including automatic downloads of positions and prices from your custodian(s). Its reliability, therefore, depends on the accuracy of the source information. Statements and confirms provided by your custodian(s) are the only official records of your accounts.