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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 06-01, 2009, and ending 05-31, 2010

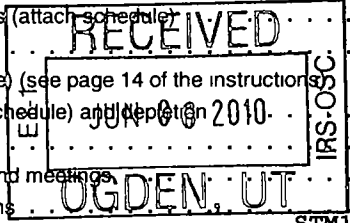
G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation H E AND RUBY PELZ TR 2		A Employer identification number 74-6392477
	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) (903) 938-9255
	City or town, state, and ZIP code MARSHALL, TX 75671-1496		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 997,905	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	30,069	30,069	30,069	
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				
7	Capital gain net income (from Part IV, line 2)		27,360		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	30,069	57,429	30,069	
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) STM108	6,495	4,895	6,495	1,600
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	2,400	1,200	2,400	1,200
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) STM103	10,682	10,682	10,682	
24	Total operating and administrative expenses. Add lines 13 through 23	19,577	16,777	19,577	2,800
25	Contributions, gifts, grants paid	52,858			52,858
26	Total expenses and disbursements. Add lines 24 and 25	72,435	16,777	19,577	55,658
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	(42,366)			
b	Net investment income (if negative, enter -0-)		40,652		
c	Adjusted net income (if negative, enter -0-)			10,492	

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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
1 Cash - non-interest-bearing	11,570	9,581	9,581
2 Savings and temporary cash investments	25,168	11,834	11,834
3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
5 Grants receivable			
6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
8 Inventories for sale or use			
9 Prepaid expenses and deferred charges			
10a Investments - U.S. and state government obligations (attach schedule)			
b Investments - corporate stock (attach schedule) STM137	389,025	387,944	643,906
c Investments - corporate bonds (attach schedule) STM138	319,259	320,421	332,584
11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
12 Investments - mortgage loans			
13 Investments - other (attach schedule)			
14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)			
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	745,022	729,780	997,905
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	
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	745,022	729,780	
30 Total net assets or fund balances (see page 17 of the instructions)	745,022	729,780	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	745,022	729,780	

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	745,022
2 Enter amount from Part I, line 27a	2	(42,366)
3 Other increases not included in line 2 (itemize) ▶ STM115	3	27,360
4 Add lines 1, 2, and 3	4	730,016
5 Decreases not included in line 2 (itemize) ▶ STM116	5	236
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	729,780

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 (yr, mo, day)	(d) Date sold (yr, mo, day)
1a See STM-134				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 258,711		231,351	27,360	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(j) FMV as of 12/31/69	(i) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
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	27,360	
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		

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			
2007			
2006			
2005			
2004			
2 Total of line 1, column (d)			2 0.0
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 0.0
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 988,692
5 Multiply line 4 by line 3			5 0
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 407
7 Add lines 5 and 6			7 407
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 55,658

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

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic foundations', and 'Tax based on investment income'. Total amount owed is 407.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, unrelated business income, and substantial contributors. 'Yes' and 'No' columns.

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)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of CARY M ABNEY Telephone no 903-938-9255
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.

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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)?
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?
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?
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?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
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?
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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?

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)? Yes No
Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? 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.

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

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
WILLIAM A ABNEY PO BOX 1386 MARSHALL, TX 75671	CO TRUSTEE 2	2,400	0	0
ALLEN STAGGERS 3017 ROSBOROUGH SPRINGS ROAD, TX 75672	CO TRUSTEE 1	0	0	0
CARY M ABNEY PO BOX 1496 MARSHALL, TX 75671	SECRETARY CO TR 4	6,495	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 MICHELSON MUSEUM OF ART CONSERVES/EXHIBITS PAINTINGS AND PROVIDES ART LESSONS AND ENHANCES CREATIVITY FOR CHILDREN SERVES 8000 PERSONS ANNUALLY	5,000
2 SOCIETY OF ST STEPHEN PROVIDES INDIGENT FAMILIES IN THE HARRISON COUNTY AREA WITH VARIOUS NEEDS SERVES OVER 400 AREA CHILDREN ANNUALLY	5,000
3 BOYS AND GIRLS CLUB PROVIDES A PLACE FOR CHILDREN TO PARTICIPATE IN VARIOUS SOCIAL AND EDUCATIONAL ACTIVITIES SERVES OVER 400 AREA CHILDREN	5,000
4 TRINITY EPISCOPAL SCHOOL IS A RELIGIOUS ORGANIZATION SERVING OVER 400 FAMILIES	5,000

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	
Total. Add lines 1 through 3	▶

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	997,439
b	Average of monthly cash balances	1b	6,309
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,003,748
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,003,748
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	15,056
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	988,692
6	Minimum investment return. Enter 5% of line 5	6	49,435

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	49,435
2a	Tax on investment income for 2009 from Part VI, line 5	2a	407
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	407
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	49,028
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	49,028
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	49,028

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	55,658
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	55,658
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	407
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	55,251

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				49,028
2 Undistributed income, if any, as of the end of 2009.				
a Enter amount for 2008 only			45,221	
b Total for prior years: _____, _____, _____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ <u>55,658</u>				
a Applied to 2008, but not more than line 2a			45,221	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				10,437
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 . (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				38,591
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

	Tax year				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

NONE,

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

NONE,

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
MICHELSON MUSEUM OF ART PO BOX 8290 MARSHALL TX 75671-8290	NONE	ORG	OPERATIONS	5,000
BOYS AND GIRLS CLUB PO BOX 2041 MARSHALL TX 75671-2041	NONE	ORG	OPERATIONS	5,000
SOCIETY OF ST STEPHEN FUMC 300 E HOUSTON MARSHALL TX 75670	NONE	ORG	OPERATIONS	5,000
COMMUNITY SERVICES OF NE TEXAS 106 E CROCKETT MARSHALL TX 75670	NONE	ORG	OPERATIONS	5,000
TRINITY EPISCOPAL SCHOOL 2905 MIDDLE ROSBOROUGH SPRINGS MARSHALL TX 75672	NONE	ORG	OPERATIONS	5,000
TWELVE WAY FOUNDATION 3901 ELYSIAN FIELDS ROAD MARSHALL TX 75670	NONE	ORG	OPERATIONS	5,000
MARSHALL REGIONAL ARTS COUNCIL 2501 EAST END BLVD S MARSHALL TX 75670	NONE	ORG	OPERATIONS	3,000
HARRISON COUNTY HISTORICAL MUS PO BOX 1987 MARSHALL TX 75671-1987	NONE	ORG	OPERATIONS	3,500
Total				3a
b Approved for future payment				
Total				3b

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
AMERICAN RED CROSS HARRISON CO 609 S GROVE MARSHALL TX 75670	NONE	ORG	OPERATIONS	2,500
LIVING ALTERNATIVES PO BOX 211 MARSHALL TX 75671-0211	NONE	ORG	OPERATIONS	1,000
EMPTY STOCKING FUND PO BOX 906 MARSHALL TX 75671-0906	NONE	ORG	OPERATIONS	2,500
MARSHALL SYMPHONY SOCIETY 203 PINEY LOOP MARSHALL TX 75672	NONE	ORG	OPERATIONS	2,000
EAST TX AREA BOY SCOUTS 1331 E FIFTH TYLER TX 75701	NONE	ORG	OPERATIONS	1,500
WINDRIDGE THERAPEUDIC PO BOX LONGVIEW TX 75601	NONE	ORG	OPERATIONS	1,000
COURT APPOINTED SPECIAL ADVOCA PO BOX 1439 MONT BELVIEU TX 77580	NONE	ORG	OPERATIONS	1,000
NEWGATE MISSION 207 N MOBBERLY AVE LONGVIEW TX 75602	NONE	ORG	OPERATIONS	1,000
Total				3a
b Approved for future payment				
Total				3b

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
TRINITY EPISCOPAL CHURCH 106 N GROVE MARSHALL TX 75670	NONE	ORG	OPERATIONS	500
CROSS MEDICAL PO BOX MARSHALL TX 75671	NONE	BUS	ASSISTANCE	1,300
MARSHALL PROPERTIES PO BOX MARSHALL TX 75671	NONE	BUS	ASSISTANCE	500
MEDICINE CHEST 304 UNIVERSITY MARSHALL TX 75670	NONE	BUS	ASSISTANCE	664
WALMART STORES NORTH EAST END BLVD MARSHALL TX 75670	NONE	BUS	ASSISTANCE	400
CENTERPOINT ENERGY PO BOX MARSHALL TX 75671	NONE	BUS	ASSISTANCE	284
DR KENNY HALL PINECREST DRIVE MARSHALL TX 75670	NONE	BUS	ASSISTANCE	210
Total				3a 52,858
b Approved for future payment				
Total				3b

Federal Supporting Statements

2009 PG 01

Name(s) as shown on return

H E AND RUBY PELZ TR 2

Your Social Security Number

74-6392477

**FORM 990PF, PART XV, LINE 2
APPLICATION SUBMISSION INFORMATION**

990APP

GRANT PROGRAM

APPLICANT NAME

WILLIAM A ABNEY

ADDRESS

PO BOX 1386

MARSHALL

TX 75671

TELEPHONE

903-938-6611

FORM & CONTENT

LETTER

SUBMISSION DEADLINE

NONE

RESTRICTIONS ON AWARD

EDUCATIONAL SCIENTIFIC RELIGIOUS OR TO RELIEVE SUFFERING

Federal Supporting Statements

2009 PG 01

Name(s) as shown on return

FEIN

H E AND RUBY PELZ TR 2

74-6392477

**FORM 990PF, PART III, LINE 3
OTHER INCREASES SCHEDULE**

STATEMENT #115

CAPITAL GAINS	27,360
TOTAL	<u>27,360</u>

**FORM 990PF, PART III, LINE 5
OTHER DECREASES SCHEDULE**

PG 01
STATEMENT #116

EXCISE TAX	236
TOTAL	<u>236</u>

**FORM 990PF, PART II, LINE 10(B)
INVESTMENTS: CORPORATE STOCK SCHEDULE**

PG 01
STATEMENT #137

<u>CATEGORY</u>	<u>BOY</u>	<u>BOOK VALUE</u>	<u>EOY FMV</u>
100 AT&T	2,610	2,610	2,430
100 APPLE COMPUTERS	6,698		
300 BANK AMERICA	3,475	3,475	4,722
800 CHEVRON CORPORATION	16,547	16,547	59,096
100 WALT DISNEY	2,688	2,688	3,342
700 EXXON MOBIL	8,147	8,147	42,322
100 FPL GROUP	3,896	3,896	4,993
3400 GENERAL ELECTRIC	18,204	18,204	55,590
600 ISHARES TR MSCI EAFE		31,662	28,992
575 ISHARES TR RUSSELL 2000	22,570	32,200	35,978
600 KIMBERLY CLARK	15,850	15,850	36,420
600 MERCK & CO	10,739	10,739	20,214
100 MICROSOFT	2,718	2,718	2,580
1000 MIDCAP SPDR TR S&P	98,253	98,253	138,610
100 NOKIA CORP	2,298		
1470 SPDR TR UNIT 1 S&P	133,872	122,995	160,772
500 3M CO	12,800	12,800	39,655
200 YUM BRANDS INC	5,160	5,160	8,190
1227 THORNBURG INTL VALUE	22,500		
TOTALS	<u>389,025</u>	<u>387,944</u>	<u>643,906</u>

Federal Supporting Statements

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FEIN

H E AND RUBY PELZ TR 2

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**FORM 990PF, PART II, LINE 10 (C)
INVESTMENTS: CORPORATE BOND SCHEDULE**

STATEMENT #138

<u>CATEGORY</u>	<u>BOY</u>	<u>BOOK VALUE</u>	<u>EOY FMV</u>
BANK AMERICA CORP		50,666	52,094
METLIFE INC SR NOTE	104,953	77,529	79,457
FED HOME LOAN BANKS		50,000	50,281
MORGAN STANLEY SR		52,850	51,829
GENERAL ELECTRIC CAP	14,515	14,570	16,341
FED HOME LOAN BANKS	75,000		
CONOCOPHILLIPS GTD	50,687	50,562	54,311
CATERPILLAR FINL SVCS	24,104	24,244	28,271
CATERPILLAR FINL SVCS	50,000		
TOTALS	<u>319,259</u>	<u>320,421</u>	<u>332,584</u>

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H E AND RUBY PELZ TR 2

74-6392477

FORM 990PF, PART 1, LINE 23 - OTHER EXPENSES SCHEDULE

STATEMENT #103

DESCRIPTION	REVENUE AND EXPENSES	NET INVESTMENT	ADJUSTED NET INCOME	CHARITABLE PURPOSE
BANK AND ADVISORY FEES	10,682	10,682	10,682	0
TOTALS	<u>10,682</u>	<u>10,682</u>	<u>10,682</u>	<u>0</u>

PG 01
STATEMENT #108

FORM 990PF, PART 1, LINE 16(B) - ACCOUNTING FEES SCHEDULE

DESCRIPTION	REVENUE AND EXPENSES	NET INVESTMENT	ADJUSTED NET INCOME	CHARITABLE PURPOSE
ACCOUNTING FEES	6,495	4,895	6,495	1,600
TOTALS	<u>6,495</u>	<u>4,895</u>	<u>6,495</u>	<u>1,600</u>

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H E AND RUBY PELZ TR 2

FORM 990-PF, PART IV, CAPITAL GAINS AND LOSSES INFORMATION (OVERFLOW)

STATEMENT #134

DESCRIPTION	P-PURCHASE D-DONATION	DATE ACQUIRED	DATE SOLD	SALES PRICE	DEPRECIATION	COST OR		GAIN OR LOSS	PRE-1970 GAINS OR LOSSES
						OTHER BASIS			
100 SHARES APPLE INC	P	2006-04-26	2009-06-05	14,432		6,698		7,734	
FHLB	P	2008-12-31	2009-07-15	75,000		75,000			
100 SHARES ISHARES RUSSELL 2000	P	2007-01-10	2009-08-24	5,856		5,316		540	
100 SHARES NOKIA	P	2006-04-26	2009-08-24	1,271		2,298		(1,027)	
1573 THORNBURG INTL VALUE	P	2009-04-03	2009-08-24	37,365		30,000		7,365	
METLIFE	P	2008-02-21	2009-09-03	26,752		25,934		818	
CATERPILLAR	P	2006-06-28	2010-01-15	50,000		50,000			
550 SHARES RUSSELL 2000	P	2007-01-10	2010-02-12	32,923		25,228		7,695	
130 SPDR S AND P 500 TRUST	P	2009-04-03	2010-05-13	15,112		10,877		4,235	
TOTAL				<u>258,711</u>		<u>231,351</u>		<u>27,360</u>	

Proot of Publication

from

MARSHALL NEWS MESSENGER

P.O. BOX 730

MARSHALL, TX 75670

(903) 935-7914

2307024 #38.36

STATE OF TEXAS
COUNTY OF HARRISON

On this 18th day of June, 20 10
personally appeared before me the undersigned, a Notary Public
in and for said county and state.

DIANNE GRAY

of the MARSHALL NEWS MESSENGER, a daily newspaper
published at MARSHALL, County of HARRISON, State of
TEXAS, who, being by me duly sworn, states that the attached
advertisement, a true copy of which is hereto annexed, was
published in said newspaper in its issues thereof on the following
dates:

- 18th day of June 20 10
- _____ day of _____ 20 _____
- _____ day of _____ 20 _____
- _____ day of _____ 20 _____
- _____ day of _____ 20 _____
- _____ day of _____ 20 _____

The Annual Report of the Peiz Foundation, Inc. is available for public inspection at the following address: ABNEY, SIMMONS & COMPANY, 215 E. Austin, Marshall, TX. 75670. This report is available to any citizen who so requests within 180 days after publication of this notice of availability. The hours of inspection are from 8:00 a.m. until 5:00 p.m. Monday through Friday. Mr. William A. Abney, President; Cary M. Abney, Secretary.

Dianne Gray
SIGNATURE

Subscribed and sworn to before me this 18th
day of June 20 10.

Dana Morton
Notary Public, Harrison County, Texas

My Commision expires 3-21-13

