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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 (77)

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 December 1, 2009, and ending November 30, 2010

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

<b>Use the IRS label. Otherwise, print or type. See Specific Instructions.</b>	Name of foundation <b>THE LIPNICK FOUNDATION</b>		<b>A Employer identification number</b> 74-6088087
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	<b>B Telephone number (see page 10 of the instructions)</b> 713-871-8310
	City or town, state, and ZIP code <b>HOUSTON TX 77056</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>H</b> Check type of organization <input 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			<b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>1,412,713</b>		<b>J</b> 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)	
			<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input 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	99,921	99,921	99,921	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	164,961			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		164,961		
	8 Net short-term capital gain			161,739	
	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)	(466)	(466)	(466)		
12 <b>Total.</b> Add lines 1 through 11	264,416	264,416	261,194		
<b>Operating and Administrative Expenses</b>	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)	912	912	912	912
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	912	912	912	912
25 Contributions, gifts, grants paid	214,329			214,329	
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	215,241	912	912	215,241	
27 Subtract line 26 from line 12					
a <b>Excess of revenue over expenses and disbursements</b>	49,175				
b <b>Net investment income</b> (if negative, enter -0-)		263,504			
c <b>Adjusted net income</b> (if negative, enter -0-)			263,504		

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<b>Part II Balance Sheets</b> 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
<b>Assets</b>	1 Cash—non-interest-bearing . . . . .	26,732	61,664	61,664
	2 Savings and temporary cash investments . . . . .			
	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 15 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 Add'l 10 (a)	49,927		
	10a Investments—U S and state government obligations (attach schedule)	14,851		
	b Investments—corporate stock (attach schedule) . . . . .	126,084	336,861	323,777
	c Investments—corporate bonds (attach schedule) . . . . .	875,897	364,156	389,949
	11 Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments— <del>mortgage loans</del> PFD. STK . . . . .	146,994	512,728	505,663
	13 Investments—other (attach schedule) . . . . .	17,357		
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶	80,779		
15 Other assets (describe ▶ . . . . .)	25,407	144,589	131,660	
16 <b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I) . . . . .	1,364,027	1,419,998	1,412,713	
<b>Liabilities</b>	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 <b>Total liabilities</b> (add lines 17 through 22) . . . . .			
<b>Net Assets or Fund Balances</b>	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 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 . . . . .			
30 <b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	1,364,027	1,419,998		
31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	1,364,027	1,419,998		

<b>Part III Analysis of Changes in Net Assets or Fund Balances</b>			
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	1,364,027
2 Enter amount from Part I, line 27a . . . . .		2	49,175
3 Other increases not included in line 2 (itemize) ▶ Adj to broker's cost . . . . .		3	13,651
4 Add lines 1, 2, and 3 . . . . .		4	1,426,853
5 Decreases not included in line 2 (itemize) ▶ Prior yr's tax & current yr's est. tax . . . . .		5	6,855
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .		6	1,419,998

**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				
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		SEE ATTACHED	S.T.	161,739
b		SEE ATTACHED	L.T.	3,222
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))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) $\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$		2	164,961	
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	161,739	

**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	
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	
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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)**

1a	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	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	5,270
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	
3	Add lines 1 and 2	3	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	3,500
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	3,500
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	0
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	1,770
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	
11	Enter the amount of line 10 to be <b>Credited to 2010 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
<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>		
1c		X
2		X
3		X
4a		X
4b		X
5		X
6	N/A	
7	X	
8a		
8b	X	
9		X
10		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	X	
14	The books are in care of ▶ Elton S. Lipnick Telephone no ▶ 713-871-8310 Located at ▶ 1717 St. James Pl, Ste. 245, Houston, TX ZIP+4 ▶ 77056			
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
<b>1a</b>	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>b</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 ▶ <input type="checkbox"/>	1b	N/A
<b>c</b>	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
<b>2</b>	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))		
<b>a</b>	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 _____, 20 _____, 20 _____, 20 _____		
<b>b</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	X
<b>c</b>	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 _____		
<b>3a</b>	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>b</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
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
<b>b</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** N/A

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see 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
Elton S. Lipnick 1717 St. James Place, #245 Houston, TX 77056	Trustee as needed	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

**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
.....		
.....		
.....		
.....		
.....		
.....		

**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
<b>1</b> .....	
<b>2</b> .....	
<b>3</b> .....	
<b>4</b> .....	

**Part IX-B Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
<b>1</b> .....	
<b>2</b> .....	
All other program-related investments. See page 24 of the instructions	
<b>3</b> .....	
<b>Total.</b> 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)

<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>	1,358,452
<b>b</b>	Average of monthly cash balances	<b>1b</b>	41,237
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions)	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,399,689
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	1,399,689
<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>	20,996
<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>	1,378,693
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	68,935

**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>	68,935
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b>	
<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>	
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	68,935
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	68,935
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	68,935

**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>	215,241
<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>	215,241
<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>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	215,241

**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				68,935
<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	41,341			
<b>b</b> From 2005	30,789			
<b>c</b> From 2006	3,351			
<b>d</b> From 2007	0			
<b>e</b> From 2008	53,843			
<b>f</b> Total of lines 3a through e	129,324			
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 215,241				
<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)				
<b>d</b> Applied to 2009 distributable amount				
<b>e</b> Remaining amount distributed out of corpus	146,306			
<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))	41,341			
<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	234,289			
<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				
<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)	41,341			
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	234,289			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005	30,789			
<b>b</b> Excess from 2006	3,351			
<b>c</b> Excess from 2007	0			
<b>d</b> Excess from 2008	53,843			
<b>e</b> Excess from 2009	146,306			

**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)

	Tax year				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
<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>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					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 27 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))

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  - 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
- 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

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  - c Any submission deadlines

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  - 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	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
Name and address (home or business)				
<p><b>a Paid during the year</b> See Attached</p>		Charity	Charitable	214,329
<b>Total</b>				<b>▶ 3a 214,329</b>
<p><b>b Approved for future payment</b></p>				
<b>Total</b>				<b>▶ 3b</b>







2013

**Fixed income**

**Corporate bonds and notes**

Prices are obtained from independent quotation services that use computerized valuation formulas to calculate current values. Actual market values may vary and thus gains/losses may not be accurately reflected. Cost basis has been adjusted for accrued or original issue discount (OID) if you have made a tax

election to deduct the premium amortization on taxable debt securities on a cost basis for the bond premium amortization

Holdings	Trade date	Total face value at maturity (\$)	Purchase price (\$)	Cost basis (\$)	Price on Nov 30 (\$)	Value on Nov 30 (\$)
<b>BLOCK FINANCIAL MWI 20BF</b>						
NTS						
RATE 05.125% MATURES 10/30/14						
ACCRUED INTEREST \$427.08						
CUSIP C93662AC8						
Moody Baa2 S&P BB+						
EAI \$5,125 Current yield 5.30%	Oct 15, 10	50,000.000	57,398	48,704.25	96,757	48,378.50
	Oct 20, 10	14,000.000	51,900	12,871.25	96,757	13,545.98
	Oct 22, 10	36,000.000	50,875	32,720.25	96,757	34,832.52
Security total		100,000.000		94,295.75		96,757.00

<b>AMERINTL GROUP</b>						
MEDIUM TERM NTS						
RATE 05.850% MATURES 01/16/18						
ACCRUED INTEREST \$1,088.75						
CUSIP C2687QDGC						
Moody A3 S&P A-						
EAI \$2,925 Current yield 5.82%	Apr 25, '10	50,000.000	54,450	47,230.25	100,500	50,250.00

<b>AMERINTL GROUP</b>						
US GOV NTS						
RATE 07.000% MATURES 04/15/18						
ACCRUED INTEREST \$875.00						
CUSIP U2360XAL1						
Moody Baa3 S&P BBE-						
EAI \$7,000 Current yield 6.78%	Oct 07, 10	100,000.000	102,125	102,130.25	103,204	103,214.00

Holdings	Trade date	Total face value at maturity (\$)	Purchase price (\$)	Cost basis (\$)	Price on Nov 30 (\$)	Value on Nov 30 (\$)
<b>TRANS OCEAN SEDCC FOREX</b>						
NTS 07.375% MATURES 04/15/18						
ACCRUED INTEREST \$691.41						
CUSIP C93830AK5						
Moody Baa3 S&P BBE						
EAI \$7,531 Current yield 6.50%	Jun 11, 10	50,000.000	52,600	46,305.25	113,390	56,695.00
	Jun 21, 10	25,000.000	57,000	24,255.25	113,390	28,347.50
Security total		75,000.000		70,560.50		85,042.50

<b>PRODIGIS TRUST NTS EYE</b>						
RATE 06.875% MATURES 02/15/20						
ACCRUED INTEREST \$716.14						
CUSIP 243410AVZ						
Moody Baa2 S&P BBE-						
EAI \$1,438 Current yield 6.28%	Sep 24, '10	50,000.000	59,857	49,938.75	109,391	51,695.50

<b>Total</b>		<b>\$375,000.000</b>		<b>\$364,155.50</b>		<b>\$389,949.00</b>
<b>Total accrued interest: \$3,798.38</b>						
<b>Total estimated annual income: \$24,019</b>						

LINE 10(e)

**Preferred securities**

Hold	Trade date	Number of shares	Purchase price per share (\$)	Cost basis (\$)	Price per share on Nov 30 (\$)	Value on Nov 30 (\$)
<b>ALLIANT SE</b>						
837 P						
PREFERRED, CALLABLE						
Exchange O.C.						
EAI \$1,170 Current yield 8.05%	Oct 19, 09	1,000.000	24,050	24,107.98	26,000	26,000.00
	Nov 6, 09	1,000.000	23,200	23,505.25	26,000	26,000.00
	May 26, 10	1,000.000	24,630	24,905.25	26,000	26,000.00
	Oct 5, 10	2,000.000	26,480	53,405.25	26,000	52,000.00
Security total		5,000.000		126,223.73		130,000.00

<b>BARCLAYS BK PLC SEP 2.6625%</b>						
PREFERRED CLBL PAR VALUE						
250,000						
Symbol BCLSPK Exchange NYSE						
EAI \$990 Current yield 7.11%	Aug 13, 10	10,000	23,630	313.22	23,280	332.64

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Holding	Trade date	Number of shares	Purchase price per share (\$)	Cost Basis (\$)	Price per share on Nov 30 (\$)	Value on Nov 30 (\$)
	Nov 8 '10	3,000,000	24.420	74,015.25	23.280	69,840.00
Security total		3,013,000		74,328.47		70,142.64
<b>HSBC HOLDINGS</b>						
8.125% PERPETUAL, CALLABLE						
Symbol HCS Exchange NYSE						
EAI \$3,124 Current yield 7.39%	Jun 21, '10	1,000,000	25.889	26,250.07	27.470	27,470.00
	Sep 22, '10	3,000,000	27.625	83,148.21	27.470	82,410.00
Security total		4,000,000		109,398.28		109,880.00
<b>LLOYD'S BANKING GROUP</b>						
7.750% 0/1/15/50						
Symbol LYG PRA Exchange NYSE						
EAI \$3.876 Current yield 7.60%	Sep 1, '10	2,000,000	25.910	52,350.65	25.500	51,000.00
<b>MERRILL LYNCH PFD CAP TR III</b>						
ORIG 7.00% CALLABLE						
Symbol MER PRD Exchange NYSE						
EAI \$7.000 Current yield 7.37%	Sep 3, '10	1,000,000	24.800	25,025.25	23.750	23,750.00
Original cost basis \$34,991.25	Sep 15, '10	1,400,000	24.993	34,991.25	23.750	33,250.00
	Sep 16, '10	1,500,000	24.789	40,204.66	23.750	38,030.00
Security total		4,000,000		100,221.16		95,030.00
<b>METLIFE INC SERIES B</b>						
CALLABLE 0/1/10 RATE 5.500%						
Symbol MET PRB Exchange NYSE						
EAI \$1,250 Current yield 6.55%	Mar 23, '10	2,000,000	24.530	49,605.25	24.820	49,640.00
Total				<u>\$512,727.54</u>		<u>\$505,662.64</u>

LINE 17

**PART 1, LINE 11**

1.	Royalty income		\$1,036	
	Severance tax	167		
	Adm exp	33		
	Depletion	<u>160</u>	<u>(360)</u>	\$ 676
2.	Regency Energy Partners, LP			(1,489)
3.	Magellan Midstream Partners, L.P.			(246)
4.	Alliance Bernstein Holdings, L.P.			691
5.	Penn Virginia Resources Partners, L.P.			(499)
6.	Encore Energy Partners LP			<u>401</u>
				(\$466)

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Part XV  
Supplementary Information  
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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Alpha Epsilon Pi Foundation	5,000	8815 Wesleyan Road Indianapolis, Indiana 46209
Alzheimers Association	1,100	11251 Northwest Frwy.
American Cancer Society	1,100	7707 Fannin
American Heart Association	500	Box 9044, Toronto, OH 43964
American Jewish World Service	700	45 West 35 <sup>th</sup> , Floor 11 New York, New York 10138
American Printing House for the Blind	700	1839 Frankfort Avenue P. O. Box 6389 Louisville, KY 40206-0389
American Red Cross	1,500	P. O. Box 96454 Washington, DC 20090-6454
ASPCA	1,000	Box 96929 Washington, DC 20077
BRAC USA	400	11 East 44 <sup>th</sup> - 1600 New York, New York 10017
Care	3,200	151 Ellis Street, NE Atlanta, GA 30303
City Wide Club	500	Box 8446 Houston, TX 77288
Clinton/Bush Haiti Fund	500	5500 Caruth Haven Lane Dallas, TX 75225
Community Health Fair	1,000	5200 Pocahontas Bellaire, TX 77401
Congregation Beth Jacob	250	2401 K Galveston, TX 77554
Congregation Beth Israel	300	5600 N. Braeswood
Congregation B'nai Israel	26,470	3008 Avenue O, Galveston, TX 77550
Congregation Emanu El	4,350	1500 Sunset
Dakota Rescue	1,000	Box 230667 Houston, TX 77223

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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Dallas Hadassah	100	6757 Acapaho Dallas, TX 75248
DePelchin Center	1,500	4950 Memorial Drive
Doctors Without Borders	6,000	333 7 <sup>th</sup> Avenue New York, NY 10001
Dr. Marnie Rose Foundation	300	5090 Richmond Avenue, PMB-291
Fisher House Foundation	2,500	111 Rockville Pike #420 Rockville, MD 20850
Foundation for the Retarded	100	3550 W. Dallas
Gladney Center for Adoption	1,500	6300 John Ryan Drive Fort Worth, Texas 76132
Hadassah	5,400	50 West 58 Street New York NY 10019
Hebrew Free Loan Association of Houston	100	Box 6634 Houston, TX 77277
Help Me See	1,500	Box 96255 Washington, DC 20090
Houston Food Bank	3,400	3811 Eastex Freeway
Houston Hillel	29,000	1700 Bissonnet
Houston Holocaust Museum	250	5401 Caroline Street
Houston Humane Society	1,000	P. O. Box 450528
Houston READ Commission	1,000	Box 2049 Houston, TX 77252
Houston SPCA	300	900 Portway Drive
HSPVA Friends	500	4119 Montrose
Interfaith Ministries	4,800	3217 Montrose
International Rescue Committee	750	P. O. Box 98152 Washington, DC 20090-8152
Jewish Braille Institute	700	110 East 30 <sup>th</sup> Street New York, NY 10016

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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Jewish Children's Regional Service	7,500	P. O. Box 7368 Metairie, LA 70010-7368
Jewish Community Center	24,505	5601 S. Braeswood
Jewish Family Service	610	4131 S. Braeswood
Jewish Federation of Greater Houston	10,200	5603 S. Braeswood
Jewish Foundation for the Righteous	1,700	305 7 <sup>th</sup> Ave., 19 <sup>th</sup> Fl. New York, NY 10117-0994
Jewish Guild for the Blind	1,000	Church Street Station P. O. Box 6259 New York, NY 10249-6259
Jewish National Fund	700	6065 Roswell Atlanta, Georgia 30328
Julie Rogers Gift of Life Program	5,000	148 S. Dowlen Road Beaumont, TX
Juvenile Diabetes Foundation	1,000	1400 Post Oak Blvd.
KUHF	600	Box 4878 Houston, TX 77210
Lighthouse for the Blind	100	3206 W. Dallas
MFAH	150	Box 4606 Houston, TX 77210
Menil Museum	90	1515 Sul Ross
Models of the Maker	1,000	805 Lamar Paris, TX 75460
National Psoriasis Foundation	200	Box 3469 Portland, OR 97208
National Yiddish Book Center	54	48 Woodridge South Hadley, MA
North American Conference on Ethiopian Jewry (NACOEJ)	400	P. O. Box 11377 Milwaukee, WI 53211-9941
Open Door Mission	1,000	Box 849

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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Paralyzed Veterans of America	250	7 Mill Brook Road Wilton, NH 03086
Parkinson's Society	350	2700 Southwest Freeway, Suite 297
Salvation Army	2,800	2118 Washington
Seven Acres	900	6200 N. Braeswood
Shriner's Hospital	2,500	815 Market Galveston, TX 77550
Smile Train	5,500	245 5 <sup>th</sup> Ave New York, NY 10016
Special Olympics	2,500	Box 143806 Austin, TX 78114
St. Jude Children's Research Hospital	3,800	P. O. Box 50 Memphis, TN 38101
Starkey Hearing Foundation	1,000	1445 S. Main Grapevine, TX 76051
Star of Hope	5,300	6798 Ardmore
Susan G. Komen Race for the Cure	850	Box 96216 Washington, DC 20090
Temple Beth Torah	100	320 Shallow Drive Humble, TX 77338
Temple Israel	100	2004 E. 22 <sup>nd</sup> Place Tulsa, OK 74114
Texas Children's Hospital	500	Box 300630 Houston, TX 77230
Texas Access to Justice Foundation	2,500	P. O. Box 12886 Austin, TX 78711
The Center Foundation	500	3550 W. Dallas
The Fistula Foundation	400	1900 The Alameda, 500 San Jose, California 95126
The Melissa Institute	500	6200 S.W. 73 Miami, FL 33143

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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
The USO	2,500	Box 96860 Washington, DC 20077
Unicef	3,000	P. O. Box 96383 Washington, DC 20090-6383
Union for Reform Judaism	1,080	633 Third Avenue New York, NY 10017
United Negro College Fund	3,000	Box 1021 Merrifield, VA 22116
United Way	1,620	2200 North Loop West Houston, TX
Visiting Nurses Association	100	7875 E. 51 <sup>st</sup> (N-3) Tulsa, Oklahoma 74145
Wayne Reber Foundation	5,000	2302 Johnston Road Wallis, Texas 77485
YMCA	<u>1,600</u>	1331 Augusta
TOTAL	<u>\$214,329</u>	

# Realized gain/(loss)

from 12/01/2009 to 11/30/2010

PART IV - ATTACHMENT 1 of 3

	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
ALLIANCE BERNSTEIN HLDG LP MLP	1,000 00	01/27/2010	27,146 13	03/11/2010	28,946 10	1,799 97
AMER INTL GROUP 05 450% 051817 DTD051807 FC111807 MED TERM NTS	50,000 00	04/05/2010	46,630 25	09/24/2010	49,745 75	3,115 50
AMER INTL GROUP NTS 05 600% 101816 DTD101806 FC041807	50,000 00	03/22/2010	47 130 25	09/22/2010	49,879 75	2,749 50
ARCHER DANIELS MIDLAND CONV 6 250% PREFERRED	800 00	08/05/2009	30,645 25	08/31/2010	32,493 72	1,848 47
ARCHER DANIELS MIDLAND CONV 6 250% PREFERRED	700 00	08/14/2009	26,396 76	08/31/2010	28,432 01	2,035 25
ARCHER DANIELS MIDLAND CONV 6 250% PREFERRED	1,500 00	07/23/2010	58,654 85	08/19/2010	61,402 61	2,747 76
AT&T INC	1,000 00	10/07/2009	26,712 38	04/20/2010	26,251 69	-460 69
AT&T INC	1,000 00	03/01/2010	25,323 01	04/20/2010	26,251 69	928 68
AXIS CAPITAL HOLDINGS 05 750% 120114 DTD111504 FC060105 CALL@MMW+258P	50,000 00	07/09/2009	46 877 25	02/11/2010	52 496 50	5,619 25
AXIS CAPITAL HOLDINGS 05 750% 120114 DTD111504 FC060105 CALL@MMW+258P	25,000 00	08/05/2009	24,669 50	02/11/2010	26,248 25	1,578 75
BARCLAYS BANK PLC 8 125% SER 5 PREFERRED CLBL PAR VALUE - 25 00 USD	1,615 00	02/08/2010	40 411 54	07/07/2010	40,121 00	-290 54
BARCLAYS BANK PLC 8 125% SER 5 PREFERRED CLBL PAR VALUE - 25 00 USD	385 00	02/08/2010	9,633 71	07/06/2010	9,561 96	-71 75
BARCLAYS BANK PLC 8 125% SER 5 PREFERRED CLBL PAR VALUE - 25 00 USD	1,000 00	05/07/2010	23,630 98	07/07/2010	24,842 73	1,211 75
BERKLEY W R CO "V"+258P 05 875% 07 DTD021503 FC081503 NTS	100,000 00	05/12/2009	95,305 25	01/13/2010	102,594 75	7,289 50
BERKSHIRE HATHAWAY INC NEW CL B	750 00	12/11/2009	49,265 87	03/05/2010	61,943 50	12,677 63
BP PLC SPON ADR	900 00	02/02/2010	50,501 63	03/23/2010	51,217 84	716 21
BRISTOL MYERS SQUIBB CO	1,100 00	10/30/2009	24,388 05	12/11/2009	28 107 36	3,719 31
BRISTOL MYERS SQUIBB CO	1,000 00	06/02/2010	23,265 88	06/07/2010	23,772 34	506 46
CAPITAL ONE FINCL CORP 06 150% 090116 DTD082906 FC030107 NTS	38,000 00	10/09/2009	37,810 00	01/27/2010	38,534 12	724 12
CAPITAL ONE FINCL CORP 06 150% 090116 DTD082906 FC030107 NTS	8,000 00	10/09/2009	7,936 13	01/27/2010	8,112 45	176 32
CAPSTEAD MTG CORP NEW 2001 REITS	1,500 00	06/11/2010	17,108 53	07/21/2010	17,620 80	512 27
CITIGROUP INC NTS 05 500% 021517 DTD021507 FC081507	50,000 00	01/13/2010	49,046 75	05/03/2010	49,791 38	744 63
CITIGROUP INC NTS 05 500% 021517 DTD021507 FC081507	50,000 00	03/11/2010	49,382 75	05/03/2010	49,791 38	408 63
CITIGROUP INC NTS 06 000% 081517 DTD081507 FC021508	50,000 00	08/12/2009	46,873 25	05/14/2010	50,918 75	4,045 50
COMERICA BANK 07 125% 120113 DTD120113 FC060194 SUB NOTES	60,000 00	07/30/2009	59 938 05	01/15/2010	60,000 00	61 95
CONAGRA FOOD INC	1,100 00	12/22/2009	24,718 83	02/17/2010	25,975 19	1,256 36
CREDIT SUISSE GUERNSEY B 7 900% PREFERRED CLBL PAR VALUE - 25 00 USD	2,000 00	03/08/2010	52 794 98	09/09/2010	53,729 47	934 49
CREDIT SUISSE GUERNSEY B 7 900% PREFERRED CLBL PAR VALUE - 25 00 USD	108 00	05/14/2010	2,716 89	09/09/2010	2,901 39	184 50
CREDIT SUISSE GUERNSEY B 7 900% PREFERRED CLBL PAR VALUE - 25 00 USD	900 00	05/17/2010	22 685 25	09/09/2010	24,178 26	1,493 01
CROSS TIMBERS ROYALTY TR	380 00	01/29/2010	12,599 97	04/29/2010	14,316 08	1,716 11
CROSS TIMBERS ROYALTY TR	620 00	01/29/2010	20,557 84	04/26/2010	23,311 75	2,753 91
CROSS TIMBERS ROYALTY TR	500 00	03/09/2010	16,638 52	04/29/2010	18,836 95	2,198 43
CVS CAREMARK CORP	1,000 00	06/07/2010	31 395 89	06/18/2010	32 838 21	1,442 32
DELUXE CORP	1,700 00	10/28/2009	24,611 58	01/28/2010	28,097.69	3,486 11
ENCORE ENERGY PARTNERS LP UNIT REPSTG LTD	1,200 00	05/03/2010	22 856 51	11/04/2010	23,938 82	1 082 31
ENCORE ENERGY PARTNERS LP UNIT REPSTG LTD PARTNER INT	1,800 00	05/04/2010	34 007 67	11/04/2010	36,395 33	2,387 66
ENCORE ENERGY PARTNERS LP UNIT REPSTG LTD PARTNER INT	2,000 00	08/11/2010	37 776 80	11/17/2010	40,513 43	2,736 63
FIFTH THIRD BANCORP 04 500% 060118 DTD052203 FC120103 SUB NTS	3,000 00	09/15/2010	2,990 25	11/01/2010	2,966 55	-23 70
FNMA - CALLABLE 05 125 % DUE 063023 DTD 063003 FC 12302003	50,000 00	04/30/2008	49 927 95	03/04/2010	49,940 00	12 05
GENWORTH FINANCIAL INC 05 650% 061517 DTD061207 FC121507 MWW +12 5BP	95,000 00	09/17/2009	92,692 00	12/16/2009	94,994 75	2,302 75

< 843

	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
JENWORTH FINANCIAL INC 05 750% 061514 JTD061504 FC121504 MW+158P NTS	42,000 00	09/22/2009	38,744 16	03/11/2010	42,206 85	3,462 69
JENWORTH FINANCIAL INC 05 750% 061514 JTD061504 FC121504 MW+158P NTS	8,000 00	09/22/2009	7,365 25	03/11/2010	8,039 40	674 15
JENWORTH FINANCIAL INC 06 515% 052218 JTD052208 CALL@MW+40BP NTS	50,000 00	12/17/2009	46,917 75	04/05/2010	49,869 85	2,952 10
JENWORTH FINANCIAL INC 06 515% 052218 JTD052208 CALL@MW+40BP NTS	49,000 00	01/12/2010	46,572 79	07/23/2010	48,617 68	2,044 89
JENWORTH FINANCIAL INC 06 515% 052218 JTD052208 CALL@MW+40BP NTS	1,000 00	01/12/2010	950 47	04/05/2010	997 40	46 93
JENWORTH FINANCIAL INC 06 515% 052218 JTD052208 CALL@MW+40BP NTS	51,000 00	03/11/2010	50,954 25	07/23/2010	50,602 07	-352 18
JUGENHEIM ENHNC D EQTY INCM FD	1,700 00	05/25/2010	13,800 13	09/15/2010	14,494 05	693 92
IARTFORD FINCL SERVICES 06 300% 031518 JTD030408 FC091508 CALL@MW+40BP	50,000 00	01/14/2009	44,080 25	03/08/2010	51,508 05	7,427 80
IARTFORD FINCL SERVICES 06 300% 031518 JTD030408 FC091508 CALL@MW+40BP	3,000 00	09/14/2009	2,855 85	03/08/2010	3,090 48	234 63
IARTFORD LIFE INS CO NTS 05 000% 011518 JTD012508 FC071508 CALLABLE	45,000 00	02/25/2010	44,892 75	07/15/2010	45,000 00	107 25
IEALTH CARE PPTY INVS 05 625% 050117 DTD042705 C110105 NTS	50,000 00	03/12/2010	48,859 75	08/10/2010	50,063 25	1,203 50
IEALTH CARE PPTY INVS 06 000% 030115 DTD022803 C090103 NTS	50,000 00	06/26/2009	45,255 25	03/11/2010	51,187 75	5,932 50
IORACE MANN EDUCATORS 06 850% 041516 JTD042106 FC101506 MW+308P NTS	50,000 00	10/13/2009	49,505 25	08/06/2010	51,244 75	1,739 50
IOSPITALITY PROPERTIES TRUST	2,000 00	10/06/2010	45,129 80	10/28/2010	45,500 60	370 80
IOSPITALITY PROPERTIES 05 625% 031517 JTD031207 CALL@MW+20BP	50,000 00	04/15/2010	48,737 25	10/06/2010	51,244 75	2,507 50
ISBC HLDGS PLC SER A 6 200% PREFERRED LBL PAR VALUE - 25 00 USD	2,000 00	02/12/2010	44,368 81	08/26/2010	47,887 75	3,518 94
ISBC HLDGS PLC SER A 6 200% PREFERRED (LBL PAR VALUE - 25 00 USD	2,000 00	08/10/2010	47,345 25	08/26/2010	47,887 75	542 50
IUMANA INC NTS 06 450% 060116 DTD051106 C120106 CALL@MW+308P	50,000 00	08/11/2009	48,005 25	02/01/2010	51,855 75	3,850 50
I&I MARSHALL 05 000% 011717 DTD112404 C071705 SER BKNT	20,000 00	09/16/2010	19,404 25	11/04/2010	18,797 38	-606 87
I&I MARSHALL 05 000% 011717 DTD112404 C071705 SER BKNT	20,000 00	10/15/2010	19,805 85	11/04/2010	18,797 38	-1,008 47
IAGELLAN MIDSTREAM PARTNERS LP	1,000 00	01/13/2010	43,110 37	06/17/2010	45,175 72	2,065 35
IARCK & CO INC NEW COM	1,000 00	08/27/2010	35,433 65	09/22/2010	36,594 62	1,160 97
I MERCURY GENL CORP NEW	700 00	11/12/2009	26,149 08	03/23/2010	29,965 10	3,816 02
I MERCURY GENL CORP NEW	400 00	01/20/2010	15,567 12	03/23/2010	17,122 91	1,555 79
IERRILL LYNCH & CO 05 700% 050217 DTD010207 ALL@MW+20BP	50,000 00	09/15/2009	49,192 25	06/11/2010	48,809 25	-383 00
IFS INTERMEDIATE INCOME TR SBI	5,000 00	12/30/2009	33,973 87	02/10/2010	33,994 31	20 44
IATIONWIDE HEALTH PPTY 06 000% 052015 JTD051805 FC112005 CALL@MW+40BP	50,000 00	08/19/2009	46,755 25	04/05/2010	50,494 75	3,739 50
IATL RETAIL PROPERTIES 06 875% 101517 DTD091007 C041508 CALL@MW+40BP	50,000 00	11/18/2009	49,805 25	05/26/2010	51,644 75	1,839 50
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	697 00	02/24/2006	12,581 41	03/08/2010	6,031 12	-6,550 29
ILD MUTUAL CLAYMORE*NAME CHANGE 05/2010* 0 40	69 00	12/29/2006	1,218 92	03/08/2010	597 06	-621 86
ILD MUTUAL CLAYMORE*NAME CHANGE 01/2010* 0 40	17 00	03/30/2007	323 09	03/08/2010	147 10	-175 99
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	17 00	06/29/2007	330 55	03/08/2010	147 10	-183 45
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	19 00	09/28/2007	313 59	03/08/2010	164 41	-149 18
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	21 00	12/31/2007	327 54	03/08/2010	181 71	-145 83
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	23 00	03/31/2008	322 47	03/08/2010	199 02	-123 45
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	26 00	06/30/2008	338 73	03/08/2010	224 98	-113 75
ILD MUTUAL CLAYMORE*NAME CHANGE 06/2010* 0 40	36 00	09/30/2008	351 46	03/08/2010	311 51	-39 95

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	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	43 00	12/31/2008	369 87	03/08/2010	372 08	2 21
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	51 00	03/31/2009	385 13	03/08/2010	441 30	56 17
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	32 00	06/30/2009	244 51	03/08/2010	276 90	32 39
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	32 00	09/30/2009	249 88	03/08/2010	276 90	27 02
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	30 00	12/31/2009	258 55	03/08/2010	259 59	1 04
OLD MUTUAL CLAYMORE*NAME CHANGE 06/2010* \$0 40	1,887 00	02/01/2010	15,690 56	03/08/2010	16,328 17	637 61
PENN VIRGINIA RESOURCE PARTNERS L P	1,000 00	07/01/2010	20,987 18	09/13/2010	23,870 16	2,882 98
PENN WEST ENERGY TRUST UNIT *MERGER EFF 01/2011* ORD CAD	1,500 00	10/06/2009	24 222 58	02/24/2010	29,417 88	5,195 30
PENN WEST ENERGY TRUST UNIT *MERGER EFF 01/2011* ORD CAD	1,000 00	01/20/2010	18,322 88	02/24/2010	19,611 92	1,289 04
PENN WEST ENERGY TRUST UNIT *MERGER EFF 01/2011* ORD CAD	1,000 00	09/13/2010	19,158 73	10/13/2010	22,167 69	3,008 96
PERMIAN BASIN ROYALTY TR UBI	2,000 00	10/07/2009	25,407 00	12/30/2009	28,418 00	3,011 00
PFIZER INC	1,500 00	03/30/2010	26,262 47	10/15/2010	26,129 34	-133 13
PROLOGIS TRUST MW@+20BPS 625% 111516 DTD111406 FC051507	50,000 00	08/21/2010	49,181 25	10/12/2010	50 667 25	1 486 00
PROLOGIS TRUST NTS 06 625% 011518 DTD050701 FC111108 CALL@MW+50BP	15,000 00	11/25/2009	14 721 45	11/22/2010	16,093 43	1,371 98
PROLOGIS TRUST NTS 06 625% 011518 DTD050701 FC111108 CALL@MW+50BP	10,000 00	11/25/2009	9,755 25	11/22/2010	10,728 95	973 70
PROLOGIS TRUST NTS 06 625% 011518 DTD050701 FC111108 CALL@MW+50BP	25,000 00	02/11/2010	24,980 50	11/22/2010	26,822 38	1,841 88
QUICK SILVER RESOURCES INC	2,500 00	07/23/2010	33,061 01	10/19/2010	36,146 82	3,085 81
RYDER SYSTEMS INC NTS 06 000% 030113 DTD021108 FC090108 CALL MW +458P	11,000 00	05/27/2009	10 829 25	01/12/2010	11,383 35	554 10
RYDER SYSTEMS INC NTS 06 000% 030113 DTD021108 FC090108 CALL MW +458P	24,000 00	05/28/2009	23,621 73	01/12/2010	24,836 40	1,214 67
SANOI VENTIS SA SPON ADR	1,400 00	04/27/2010	48,987 27	09/24/2010	47,222 72	-1,764 55
SANOI VENTIS SA SPON ADR	600 00	05/07/2010	18,858 26	09/24/2010	20,238 31	1,380 05
SENIOR SG PROPERTIES TRUST SP1	2,000 00	07/07/2010	40 571 58	07/13/2010	42,416 76	1,845 18
TENNE PACKAGING INC 08 11% 061517 DTD061599 CALL@MW+20BP FC 21599	25,000 00	09/21/2010	24,480 25	10/07/2010	25 619 75	1,139 50
TEXAS STATE SER B AMT B/E R/V 0100 060131 DTD 090199	15,000 00	04/01/2009	14,850 60	12/01/2009	15,000 00	149 40
THE DOW CHEMICAL CO NTS 05 600% 031520 DTD021108 FC091510 B/E	50,000 00	03/08/2010	50,000 00	10/22/2010	50,057 25	57 25
TRANSCHEAN LTD CHF	500 00	02/17/2010	42 637 92	04/01/2010	43,467 13	829 21
TRANSCHEAN SEDCO FOREX 05 250% 031513 DTD1107 FC031508 CALL@MW+30BP	25,000 00	06/30/2010	23,767 75	08/02/2010	24,746 25	978 50
TRANSCHEAN SEDCO FOREX 06 000% 031518 DTD1107 FC031508 CALL@MW+35BP	50,000 00	07/15/2010	49,830 25	09/21/2010	50,994 75	1 164 50
TRANSCHEAN SEDCO FOREX 06 000% 031518 DTD1107 FC031508 CALL@MW+35BP	50,000 00	08/02/2010	47,804 75	10/06/2010	53,625 75	5,821 00
WEINSTEIN REALTY INVESTORS -REIT	1,500 00	08/13/2010	30 038 02	09/02/2010	31,670 07	1,632 05
WEINSTEIN REALTY INV 05 263% 051512 DTD021108 FC091504 MED TERM NTS	50,000 00	07/21/2009	47,780 25	02/05/2010	51,419 75	3,639 50
WEINSTEIN REALTY INVEST 05 263% 051512 DTD021108 FC091504 MED TERM NTS	2,000 00	10/30/2009	17 038 27	06/02/2010	17 177 06	138 79
			3,222,654 84		3,387,615.62	164,960 78

TOTAL GAINS	178,159 41
TOTAL LOSSES	-13,198 63
SHORT TERM - TOTAL REALIZED GAIN/(LOSS)	161,738 75
LONG TERM - TOTAL REALIZED GAIN/(LOSS)	3,222 03