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

OMB No 1545-0052

2010

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation **A Employer identification number**

STERLING FAMILY FOUNDATION 04-6995246

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)**

P.O. BOX 1837 (713) 659-6551

City or town, state, and ZIP code **C If exemption application is pending, check here** ☐

BELLAIRE, TX 77402-1837 **D 1 Foreign organizations, check here** ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation **2 Foreign organizations meeting the 85% test, check here and attach computation** ☐

☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation **E If private foundation status was terminated under section 507(b)(1)(A), check here** ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ☐ Accounting method ☒ Cash ☐ Accrual **F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here** ☐

\$ 6,696,641. (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)
1 Contributions, gifts, grants, etc., received (attach schedule) <input type="checkbox"/> if the foundation is not required to attach Sch B	1,800,000.			
2 Check <input type="checkbox"/>				
3 Interest on savings and temporary cash investments	73,091.	73,091.		ATCH 1
4 Dividends and interest from securities	87,870.	87,870.		
5a Gross rents				
b Net rental income or (loss) 23,480.				
6a Net gain or (loss) from sale of assets not on line 10	-337,140.			
b Gross sales price for all assets on line 6a 6,162,424.				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	261.	261.		ATCH 2
12 Total. Add lines 1 through 11	1,624,082.	161,222.		
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) ATCH 3	11,192.	11,192.	0.	0.
b Accounting fees (attach schedule) ATCH 4	31,272.	31,272.	0.	0.
c Other professional fees (attach schedule) *	31,096.	31,096.		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	38,669.	38,297.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 7	12,158.	12,158.		
24 Total operating and administrative expenses. Add lines 13 through 23	124,387.	124,015.	0.	0.
25 Contributions, gifts, grants paid	357,100.			357,100.
26 Total expenses and disbursements. Add lines 24 and 25	481,487.	124,015.	0.	357,100.
27 Subtract line 26 from line 12	1,142,595.			
a Excess of revenue over expenses and disbursements		37,207.		
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see page 30 of the instructions. * ATCH 5 JSA ** ATCH 6 Form 990-PF (2010)

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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	108,598.	203,146.	203,146.
	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 ATCH 8	10,584.	10,212.	10,212.
	10 a Investments - U S and state government obligations (attach schedule).			
	b Investments - corporate stock (attach schedule) ATCH 9	3,793,822.	4,825,504.	4,815,370.
	c Investments - corporate bonds (attach schedule).			
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule)	1,667,913. 1,651,176.	1,667,913.	1,667,913.
	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)	5,564,180.	6,706,775.	6,696,641.	
Liabilities	17 Accounts payable and accrued expenses	9,600.	9,600.	
	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)	9,600.	9,600.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	5,554,580.	6,697,175.		
30 Total net assets or fund balances (see page 17 of the instructions)	5,554,580.	6,697,175.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	5,564,180.	6,706,775.		

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	5,554,580.
2 Enter amount from Part I, line 27a	2	1,142,595.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	6,697,175.
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,697,175.

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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 SEE PART IV SCHEDULE					
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					
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))		
(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) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	-337,140.	
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))
2009	344,564.	4,597,056.	0.074953
2008	327,815.	5,873,689.	0.055811
2007	200,100.	6,777,891.	0.029522
2006	102,000.	4,010,529.	0.025433
2005	65,218.	1,980,899.	0.032923
2 Total of line 1, column (d)			2 0.218642
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 0.043728
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 4,987,866.
5 Multiply line 4 by line 3			5 218,109.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 372.
7 Add lines 5 and 6			7 218,481.
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.			8 357,100.

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 <input type="checkbox"/> and enter "N/A" on line 1		1	372.
Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
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	372.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	372.
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	10,584.	
b Exempt foreign organizations-tax withheld at source	6b	0.	
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		10,584.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		10,212.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax <input checked="" type="checkbox"/> 10,212. Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?		X
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		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ (2) On foundation managers <input checked="" type="checkbox"/> \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities		
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? If "Yes," attach a conformed copy of the changes		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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
If "Yes," attach the statement required by General Instruction T		
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? If "Yes," complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> TX,		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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 NONE				
14	The books are in care of DANIEL DOMINGUEZ & JAY EPSTEIN Telephone no 713-659-6551			
	Located at 333 CLAY STREET, SUITE 4700 HOUSTON, TX ZIP + 4 77002-4180			
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		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country _____				

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b	
Organizations relying on a current notice regarding disaster assistance check here.		<input type="checkbox"/>
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years _____		
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 22 of the instructions)	2b	
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2010 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 2010)	3b	
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 2010?	4b	X

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

- 5 a** 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)
- 6 a** 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
- 7 a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
- b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

5b

6b

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
ATTACHMENT 10		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 ☐

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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		NONE

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 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

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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	3,174,535.
b	Average of monthly cash balances	1b	211,163.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	1,678,125.
d	Total (add lines 1a, b, and c)	1d	5,063,823.
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	5,063,823.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	75,957.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,987,866.
6	Minimum investment return. Enter 5% of line 5	6	249,393.

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	249,393.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	372.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	372.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	249,021.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	249,021.
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	249,021.

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	357,100.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
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	357,100.
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	372.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	356,728.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				249,021.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			165,952.	
b Total for prior years 20 08, 20 07, 20 06				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009 0.				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 357,100.				
a Applied to 2009, but not more than line 2a			165,952.	
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 2010 distributable amount				191,148.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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	0.			
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 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				57,873.
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010 0.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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	Prior 3 years				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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

ATTACHMENT 11

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

ATTACHMENT 12

c Any submission deadlines

NONE

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

NONE

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

<div>Recipient</div> <div>Name and address (home or business)</div>	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 ATTACHMENT 13				
Total			3a	357,100.
b Approved for future payment				
Total			3b	

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 _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	73,091.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	23,480.	
6 Net rental income or (loss) from personal property .					
7 Other investment income			15	567.	
8 Gain or (loss) from sales of assets other than inventory			18	-337,140.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory . . .					
11 Other revenue a _____					
b ATTACHMENT 14				-306.	
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e)				-240,308.	
13 Total. Add line 12, columns (b), (d), and (e)					-240,308.

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

[illegible]

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee *Samuel D. Meyer* Date *11/7/11* Title *Co-trustee*

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ BDO USA, LLP	Firm's EIN ▶ 13-5381590			
	Firm's address ▶ 333 CLAY STREET, SUITE 4700 HOUSTON, TX	77002-4180	Phone no 713-659-6551		

Schedule of Contributors

OMB No 1545-0047

▶ Attach to Form 990, 990-EZ, or 990-PF.

2010

Name of the organization

STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

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 **STERLING FAMILY FOUNDATION**Employer identification number
04-6995246**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ESTATE OF LILLIE STERLING P.O. BOX 1837 BELLAIRE, TX 77402-1837	\$ 1,800,000.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
244,214.		PUBLICLY TRADED SECUR - ALTA PROPERTY TYPE: SECURITIES 242,493.				P	1,721.	
135,222.		PUBLICLY TRADED SECUR - ALTA PROPERTY TYPE: SECURITIES 119,506.				P	15,716.	
685,964.		PUBLICLY TRADED SECUR - GOLDMAN PROPERTY TYPE: SECURITIES 661,592.				P	24,372.	
119,127.		PUBLICLY TRADED SECUR - GOLDMAN PROPERTY TYPE: SECURITIES 148,536.				P	-29,409.	
545,638.		PUBLICLY TRADED SECUR - MFS PROPERTY TYPE: SECURITIES 570,797.				P	-25,159.	
99,322.		PUBLICLY TRADED SECUR - MFS PROPERTY TYPE: SECURITIES 130,153.				P	-30,831.	
268,123.		PUBLICLY TRADED SECUR - TURNER PROPERTY TYPE: SECURITIES 256,002.				P	12,121.	
2,000.		PUBLICLY TRADED SECUR - TURNER PROPERTY TYPE: SECURITIES 1,940.				P	60.	
200,208.		PUBLICLY TRADED SECUR - PENN PROPERTY TYPE: SECURITIES 168,879.				P	31,329.	
53,942.		PUBLICLY TRADED SECUR - PENN PROPERTY TYPE: SECURITIES 46,964.				P	6,978.	
158,298.		PUBLICLY TRADED SECUR - INVESCO PROPERTY TYPE: SECURITIES 151,657.				P	6,641.	
54,774.		PUBLICLY TRADED SECUR - INVESCO PROPERTY TYPE: SECURITIES 57,734.				P	-2,960.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
8,068.		PUBLICLY TRADED SECUR - PIMCO PROPERTY TYPE: SECURITIES 7,701.				P	367.	
101,099.		PUBLICLY TRADED SECUR - PIMCO PROPERTY TYPE: SECURITIES 167,916.				P	-66,817.	
2,877.		PUBLICLY TRADED SECUR - ABSOLUTE PROPERTY TYPE: SECURITIES 2,758.				P	119.	
207,659.		PUBLICLY TRADED SECUR - ABSOLUTE PROPERTY TYPE: SECURITIES 210,561.				P	-2,902.	
11,639.		PUBLICLY TRADED SECUR - DWS RREEF PROPERTY TYPE: SECURITIES 11,856.				P	-217.	
119,484.		PUBLICLY TRADED SECUR - DWS RREEF PROPERTY TYPE: SECURITIES 210,468.				P	-90,984.	
392,550.		PUBLICLY TRADED SECUR - TURNER PROPERTY TYPE: SECURITIES 384,908.				P	7,642.	
18,087.		PUBLICLY TRADED SECUR - TURNER PROPERTY TYPE: SECURITIES 19,466.				P	-1,379.	
2,734,129.		PUBLICLY TRADED SECUR - RUSSELL PROPERTY TYPE: SECURITIES 2,928,067.				P	-193,938.	
		CAPITAL GAIN DISTRIBUTION - RUSSELL PROPERTY TYPE: SECURITIES				P	50.	
		CAPITAL GAIN DISTRIBUTION - PENN PROPERTY TYPE: SECURITIES				P	34.	
		REGENCY ENERGY PARTNERS - BASIS ADJ (SAL PROPERTY TYPE: SECURITIES				P	306.	
TOTAL GAIN (LOSS)					<u>-337,140.</u>	

Sterling Family Foundation
Form 990-PF - Balance Sheet - line 11 - Land

	<u>Cost</u> <u>Basis</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Collingsworth	370,000	-	370,000
North Freeway/Dever	653,650	-	653,650
Elder	75,000	-	75,000
Eunice	78,803	-	78,803
Sul Ross	81,750	-	81,750
Majestic	75,000	-	75,000
Cage	6,750	-	6,750
Dwinnell	75,000	-	75,000
East Freeway	35,710	-	35,710
Foreman	66,250	-	66,250
Fairbanks	125,000	-	125,000
Willis	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	1,667,913	-	1,667,913

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>ALLOWABLE NET INCOME</u>
BILLBOARDS/BLDG	87,870.	87,870.
TOTALS	<u>87,870.</u>	<u>87,870.</u>

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

CLEAR CHANNEL OUTDOOR	64,365.
GLOBAL SIGNAL ACQS II LLC	12,420.
CBS OUTDOOR	5,513.
LAMAR ADVERTISING OF COLLEGE STATION	3,075.
OTHER RENTALS	2,497.
	<u>87,870.</u>

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
PERSHING LLC - RUSSELL	65,337.	65,337.
NATIONAL FINANCIAL SVCS - GOLDMAN SACHS	2,474.	2,474.
NATIONAL FINANCIAL SVCS - ALTA	1,061.	1,061.
NATIONAL FINANCIAL SVCS - PENN CAPITAL	337.	337.
NATIONAL FINANCIAL SVCS - TURNER	324.	324.
NATIONAL FINANCIAL SVCS - DENVER	688.	688.
NATIONAL FINANCIAL SVCS - MFS INTL	1,846.	1,846.
NATIONAL FINANCIAL SVCS - AIM	854.	854.
NATIONAL FINANCIAL SVCS - BRINKER	18.	18.
FIRST CLEARING LLC - ALTA	51.	51.
FIRST CLEARING LLC - MFS	101.	101.
TOTAL	73,091.	73,091.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ROYALTY INCOME - SOUTHERN MGMT	567.	567.
SCHED K-1 - REGENCY EQUITY PARTNERS	-306.	-306.
TOTALS	261.	261.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES	11,192.	11,192.		
TOTALS	11,192.	11,192.	0.	0.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
BDO USA, LLP	31,272.	31,272.		
TOTALS	31,272.	31,272.	0.	0.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT MANAGEMENT FEES	25,031.	25,031.
PROPERTY TAX CONSULTANT	3,565.	3,565.
REAL ESTATE APPRAISAL FEES	2,500.	2,500.
TOTALS	31,096.	31,096.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
PROPERTY TAXES	37,538.	37,538.
FOREIGN TAXES WITHHELD ON DIV	722.	722.
PRODUCTION TAXES - ROYALTIES	37.	37.
FEDERAL EXCISE TAX (2010)	372.	
TOTALS	38,669.	38,297.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
LAND MAINTENANCE	9,475.	9,475.
LIABILITY INSURANCE	2,091.	2,091.
HIGHWAY DEPT LICENSE	120.	120.
BANK CHARGES	398.	398.
BROKERAGE SERVICE FEES	74.	74.
TOTALS	12,158.	12,158.

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID FEDERAL EXCISE TAXES	10,212.	10,212.
TOTALS	<u>10,212.</u>	<u>10,212.</u>

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 9

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
RUSSELL MUTUAL FUNDS (SCH ATT)	4,825,504.	4,815,370.
TOTALS	<u>4,825,504.</u>	<u>4,815,370.</u>

Quantity	Description	Market Price	Market Value
Mutual Funds 97.00% of Portfolio			
Mutual Funds			
56,810.803	RUSSELL GLOBAL EQUITY FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RGESX	8.8800	504,479.93
9,835.870	RUSSELL EMERGING MARKETS FUND CL S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: REMSX	20.8300	204,881.17
4,219.645	RUSSELL GLOBAL REAL ESTATE SECURITIES FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RRESX	36.0900	152,286.99
3,876.120	RUSSELL GLOBAL CREDIT STRATEGIES FUND CLASS S Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RGCSX	9.9500	38,567.39
14,739.178	RUSSELL GLOBAL INFRASTRUCTURE FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RGISX	10.3400	152,403.10
18,097.848	RUSSELL COMMODITY STRATEGIES FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RCCSX	11.2700	203,962.75
153,120.978	RUSSELL STRATEGIC BOND FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RFCTX	10.7700	1,649,112.93
23,768.965	RUSSELL INT'L DEVELOPED MARKETS FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RINTX	31.6800	753,000.81
8,781.039	RUSSELL U.S. SMALL & MID CAP FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: RLESX	22.8400	200,558.93
15,798.754	RUSSELL U.S. QUANTITATIVE EQUITY CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash Security Identifier: REQTX	28.6700	452,950.28
18,028.138	RUSSELL U.S. CORE EQUITY FUND CLASS S Open End Fund Dividend Option: Cash; Capital Gains Option: Cash	27.9100	503,165.33
Total Mutual Funds			\$4,815,369.61

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION
DANIEL DOMINGUEZ 333 CLAY STREET, SUITE 4700 HOUSTON, TX 77002	TRUSTEE 1.00	0.
JAY A. EPSTEIN 333 CLAY STREET, SUITE 4700 HOUSTON, TX 77002	TRUSTEE 1.00	0.
GRAND TOTALS		0.

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

DANIEL DOMINGUEZ AND JAY EPSTEIN
P.O. BOX 1837
BELLAIRE, TX 77402-1837
713-659-6551

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

LETTER REQUESTING FUNDS OR ORAL PRESENTATION. INFORMATION SHOULD BE
SUPPLIED CONCERNING THE ORGANIZATION'S PURPOSE AND USE OF THE
REQUESTED FUNDS

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CENTRO FAMILIAR CRISTIANO 11000 DAIRY ASHFORD SUGARLAND, TX 77487	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	170,000.
JEWISH FAMILY SERVICE P.O. BOX 20528 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	120,000.
SEVEN ACRES JEWISH SENIOR CARE SERVICES 6200 N. BRAESWOOD HOUSTON, TX 77074	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	30,000.
HOLOCAUST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	6,200.
FOUNDATION FOR THE RETARDED 3550 WEST DALLAS HOUSTON, TX 77019	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
DR. MARNIE ROSE FOUNDATION 4550 POST OAK PLACE STE 100 HOUSTON, TX 77027	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TEXAS EQUUSEARCH P.O. BOX 395 DICKINSON, TX 77539	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	3,000.
ANIXTER CENTER 6610 NORTH CLARK ST CHICAGO, IL 60626	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
ANGEL FLIGHT SOUTH CENTRAL 4310 AMELIA EARHART DR ADDISON, TX 75001	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
ST JUDES'S CHILDREN'S HOSPITAL P.O. BOX 50 MEMPHIS, TN 38101	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
MAKE-A-WISH FOUNDATION OF AMERICA 3550 NORTH CENTRAL AVE STE 300 PHOENIX, AZ 85012	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
THE 100 CLUB, INC 5555 SAN FELIPE STE 520 HOUSTON, TX 77056	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TEXAS A&M HILLEL 800 GEORGE BUSH DR. COLLEGE STATION, TX 77840	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	3,000.
SIMON WISENTHAL CENTER 1399 SOUTH ROXBURY LOS ANGELES, CA 90035	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
HOUSTON LIVESTOCK SHOW AND RODEO P.O. BOX 20070 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
AISHAL HOUSE 1955 UNIVERSITY BLVD HOUSTON, TX 77030	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
NEIGHBORHOOD MINISTRIES 1918 W. VAN BUREN ST. PHOENIX, AZ 85009	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
STAR OF HOPE 6895 ARDMORE ST HOUSTON, TX 77054	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
STUART NICHOLS ALS RESEARCH FOUNDATION 10 CROWNBERRY COURT THE WOODLANDS, TX 77381	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
JEWISH COMMUNITY CENTER 5601 SOUTH BRAESWOOD BLVD HOUSTON, TX 77096	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
CONGREGATION ANSHAI TORAH 5501 WEST PARKER RD. PLANO, TX 75093	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	5,000.
LEADERSHIP CATALYST, INC. 1600 E. NORTHERN AVE. STE 280 PHOENIX, AZ 85020	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	600.
H.O.P.E. MINISTRIES P.O. BOX 18120 ATLANTA, GA 30316	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
THEATER UNDER THE STARS 800 BAGBY STE 200 HOUSTON, TX 77002	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

FORM 990FF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
HIS MANSION MINISTRIES P.O. BOX 40 HILLSBORO, NH 03244	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	600.
NATIONAL MS SOCIETY 8111 N. STADIUM DR STE 100 HOUSTON, TX 77054	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	100.
SUSAN G KOMEN FOR THE CURE 5433 WESTHEIMER RD STE 325 HOUSTON, TX 77056	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	100.

TOTAL CONTRIBUTIONS PAID 357,100.

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 14

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
PARTNERSHIP - REGENCY EQUITY PARTNERS			18	-306.	
TOTALS				-306.	