Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

ENVELOPE POSTMARK DATE MAY 16 2011

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

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

Name of foundation
HEARIN - CHANDLER FOUNDATION
C/O THOMAS B. VAN ANTWERP, TRUSTEE

A Employer identification number
63-6075470

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P. O. BOX 450

B Telephone number
(251)694-1957

City or town, state, and ZIP code
MOBILE, AL 36601

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ 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) ▶$ 35,234,786.

J Accounting method: ☐ Cash ☐ Accrual ☒ Other (specify) MODIFIED CASH
(Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8,829.	8,829.		STATEMENT 1
	4 Dividends and interest from securities	526,823.	523,099.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	649,339.			
	b Gross sales price for all assets on line 6a 11,035,064.				
	7 Capital gain net income (from Part IV, line 2)		649,339.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	<127,479.>	0.		STATEMENT 3
	12 Total. Add lines 1 through 11	1,057,512.	1,181,267.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	163,213.	81,607.		81,607.
	14 Other employee salaries and wages	20,500.	10,250.		10,250.
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	17,390.	8,195.		9,195.
	c Other professional fees STMT 5	193,004.	193,004.		0.
	17 Interest	3,813.	0.		0.
	18 Taxes STMT 6	9,204.	6,149.		0.
	19 Depreciation and depletion	8,869.	0.		
	20 Occupancy	22,545.	11,272.		11,272.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	40,978.	0.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	479,516.	310,477.		112,324.
	25 Contributions, gifts, grants paid	1,340,000.			1,340,000.
	26 Total expenses and disbursements. Add lines 24 and 25	1,819,516.	310,477.		1,452,324.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<762,004.>			
	b Net investment income (if negative, enter -0-)		870,790.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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SCANNED MAY 23 2011

023501 12-07-10 LHA For Paperwork Reduction Act Notice, see the instructions. Form **990-PF** (2010)

14020511 756342 719000 2010.03050 HEARIN - CHANDLER FOUNDATIO 719000_1

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	40,357.	56,706.	56,706.
	2 Savings and temporary cash investments	780,681.	191,695.	191,695.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 8	295,341.	0.	0.
	b Investments - corporate stock STMT 9	14,932,741.	16,341,821.	29,053,488.
	c Investments - corporate bonds STMT 10	2,327,921.	1,590,210.	1,756,976.
	11 Investments - land, buildings, and equipment basis ▶ 74,368.			
	Less accumulated depreciation ▶ 28,056.	52,714.	46,312.	46,312.
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	2,524,730.	1,965,737.	4,101,640.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 12)	27,969.	27,969.	27,969.
	16 **Total assets** (to be completed by all filers)	20,982,454.	20,220,450.	35,234,786.
Liabilities	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			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	21,505,248.	21,505,248.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	<522,794.>	<1,284,798.>	
	30 **Total net assets or fund balances**	20,982,454.	20,220,450.	
	31 **Total liabilities and net assets/fund balances**	20,982,454.	20,220,450.	

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	20,982,454.
2	Enter amount from Part I, line 27a	2	<762,004.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	20,220,450.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	20,220,450.

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 ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
b	SEE ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
c	CAPITAL GAIN FROM LP INVESTMENTS	P		
d	CAPITAL GAIN FROM LP INVESTMENTS	P		
e	CAPITAL GAINS DIVIDENDS			

	(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	3,395,573.		3,343,155.	52,418.
b	7,640,362.		7,042,570.	597,792.
c	<1,174.>			<1,174.>
d	<248.>			<248.>
e	551.			551.

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

	(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				52,418.
b				597,792.
c				<1,174.>
d				<248.>
e				551.

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	649,339.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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 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	1,494,682.	28,692,746.	.052093
2008	1,628,064.	33,534,496.	.048549
2007	1,488,527.	34,078,414.	.043679
2006	1,330,158.	29,457,582.	.045155
2005	1,106,782.	26,239,916.	.042179

2 **Total** of line 1, column (d)	2	.231655
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	.046331
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	32,471,241.
5 Multiply line 4 by line 3	5	1,504,425.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,708.
7 Add lines 5 and 6	7	1,513,133.
8 Enter qualifying distributions from Part XII, line 4	8	1,452,324.

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	17,416.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3	Add lines 1 and 2		3	17,416.
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	17,416.
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a 10,000.		
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	10,000.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		8	199.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	7,615.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶	**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		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?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
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?	6	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.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ AL			
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*	8b	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)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

		Line	Yes	No
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 instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ (251)694-1957
Located at ▶ P. O. BOX 450, MOBILE, AL ZIP+4 ▶ 36601

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 N/A

		Line	Yes	No
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		X
	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.

			Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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?	☐ Yes ☒ 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 instructions.)	N/A	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?	☐ Yes ☒ 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.)*	N/A	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)*

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)? ☐ 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 instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
THOMAS B. VAN ANTWERP P. O. BOX 450 MOBILE, AL 36601	TRUSTEE 20.00	163,213.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
MCMURREY INVESTMENT ADVISORS, LLC - 600 TRAVIS STREET, SUITE 7500, HOUSTON, TX 77002	INVESTMENT ADVISORY SERVICES	193,004.

Total number of others receiving over $50,000 for professional services ▶ 0

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**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	32,210,635.
b	Average of monthly cash balances	1b	755,092.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	32,965,727.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	32,965,727.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	494,486.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	32,471,241.
6	**Minimum investment return.** Enter 5% of line 5	6	1,623,562.

Part XI Distributable Amount (see 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	1,623,562.
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 17,416.		
b	Income tax for 2010. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	17,416.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,606,146.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,606,146.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,606,146.

Part XII Qualifying Distributions (see 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	1,452,324.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,452,324.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,452,324.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,606,146.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			1,332,046.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 1,452,324.				
a Applied to 2009, but not more than line 2a			1,332,046.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				120,278.
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		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				1,485,868.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
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				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a 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)

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 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 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:

THOMAS B. VAN ANTWERP, TRUSTEE

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

LETTER FORMAT - 501(C)(3) ORG - PURPOSE OF GRANT - HISTORY OF ORGANIZATION

c Any submission deadlines:

OCTOBER 1 OF EACH YEAR

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 13				
Total			▶ 3a	1340000.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(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			14	8,829.	
4 Dividends and interest from securities			14	526,823.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	649,339.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a OIL ROYALTIES	211110	45,371.			
b LP INVESTMENT INCOME	211110	<172,850.>			
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		<127,479.>		1,184,991.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 1,057,512.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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

b If "Yes," complete the following schedule.

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

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

Thomas B Van Antwerp 5/12/11 Trustee

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
TIMOTHY B. SMITH	Tim Smith	05/11/11		

Firm's name ▶ SMITH DUKES & BUCKALEW LLP
3800 AIRPORT BLVD
Firm's EIN ▶

Firm's address ▶ MOBILE, AL 36608-1667
Phone no. (251)343-1200

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST FROM LP INVESTMENTS	7,286.
INTEREST ON SAVINGS & TEMPORARY INVESTMENTS	1,543.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	8,829.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CORPORATE BONDS	118,537.	0.	118,537.
LP INVESTMENTS	6,484.	0.	6,484.
MUNICIPAL BONDS	3,724.	0.	3,724.
SECURITIES	398,629.	551.	398,078.
TOTAL TO FM 990-PF, PART I, LN 4	527,374.	551.	526,823.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OIL ROYALTIES	45,371.	0.	
LP INVESTMENT INCOME	<172,850.>	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	<127,479.>	0.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	17,390.	8,195.		9,195.
TO FORM 990-PF, PG 1, LN 16B	17,390.	8,195.		9,195.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	193,004.	193,004.		0.
TO FORM 990-PF, PG 1, LN 16C	193,004.	193,004.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	6,149.	6,149.		0.
TAX DEPOSITS	3,815.	0.		0.
TAX REFUND	<760.>	0.		0.
TO FORM 990-PF, PG 1, LN 18	9,204.	6,149.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS EXPENSES	1,965.	0.		0.
INSURANCE	1,109.	0.		0.
OIL PRODUCTION EXPENSES	12,458.	0.		0.
EDUCATIONAL EXPENSES	1,100.	0.		0.
MEMBERSHIP DUES	3,500.	0.		0.
OFFICE EXPENSES	8,745.	0.		0.
LP INVESTMENTS EXPENSES	12,101.	0.		0.
TO FORM 990-PF, PG 1, LN 23	40,978.	0.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MOBILE COUNTY ALABAMA		X	0.	0.
SAN ANTONIO TX WTR SYS REV		X	0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK (SCHEDULE)	16,341,821.	29,053,488.
TOTAL TO FORM 990-PF, PART II, LINE 10B	16,341,821.	29,053,488.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS (SCHEDULE)	1,590,210.	1,756,976.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,590,210.	1,756,976.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INVESTMENT IN LTD PARTNERSHIPS (SCHEDULE)	COST	1,965,737.	4,101,640.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,965,737.	4,101,640.

FORM 990-PF | OTHER ASSETS | STATEMENT 12

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
OPERATION INTEREST- OIL WELLS	16,750.	16,750.	16,750.
ART OBJECTS- CHANDLER BUSTS	11,219.	11,219.	11,219.
TO FORM 990-PF, PART II, LINE 15	27,969.	27,969.	27,969.

FORM 990-PF | GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR | STATEMENT 13

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ALABAMA ARCHIVES AND HISTORY FOUNDATION P.O. BOX 300100 MONTGOMERY, AL 36130	CAPITAL	PUBLIC	40,000.
ALABAMA SCHOOL OF MATH AND SCIENCE 1255 DAUPHIN ST MOBILE, AL 36604	CAPITAL	PUBLIC	20,000.
ALABAMA SHAKESPEARE FESTIVAL 1 FESTIVAL DRIVE MONTGOMERY, AL 36117-4605	CAPITAL	PUBLIC	10,000.
BALDWIN COUNTY BICENTENNIAL 312 COURT HOUSE SQUARE STE 26 BAY MINETTE, AL 36507	CAPITAL	PUBLIC	30,000.
BAY AREA FOOD BANK 5248 MOBILE SOUTH ST THEODORE, AL 36582	PROGRAM FUNDING	PUBLIC	20,000.
BIG BROTHERS BIG SISTERS SO. - ALA YMCA 101 NORTH WATER STREET MOBILE, AL 36602	PROGRAM FUNDING	PUBLIC	5,000.

CHILD ADVOCACY CENTER 1351 SPRINGHILL AVE MOBILE, AL 36604	CAPITAL	PUBLIC	20,000.
CHRIST CHURCH 115 S CONCEPTION ST MOBILE, AL 36602	CAPITAL CAMPAIGN	PUBLIC	100,000.
CHRYSALIS ACADEMY 439 AZALEA ROAD MOBILE, AL 36609	OPERATING FUND	PUBLIC	20,000.
CYSTIC FIBROSIS FOUNDATION 857 DOWNTOWNER BLVD #D1 MOBILE, AL 36609	CAPITAL	PUBLIC	10,000.
CYSTIC FIBROSIS-HOPE FOR ALABAMA 857 DOWNTOWNER BLVD #D1 MOBILE, AL 36609	CAPITAL	PUBLIC	10,000.
DUMBARTON HOUSE 2715 QUE STREET N.W. WASHINGTON, DC 20007-3071	OPERATING FUND	PUBLIC	5,000.
FAIRYLAND ELEMENTARY SCHOOL PARENT TEACHER ORG 1306 LULA LAKE ROAD LOOKOUT MOUNTAIN, GA 30750	CAPITAL	PUBLIC	15,000.
HABITAT FOR HUMANITY/BALDWIN COUNTY 851 E I65 SERVICE ROAD SOUTH #200 MOBILE, AL 36606	CAPITAL	PUBLIC	10,000.
HOME OF GRACE 394 ALDOCK ROAD MOBILE, AL 36613	CAPITAL	PUBLIC	25,000.
HONOR FLIGHT SOUTH ALABAMA P.O. BOX 7406 SPANISH FORT, AL 36577	CAPITAL	PUBLIC	8,250.

JACKSON COUNTY MISS. HISTORICAL SOCIETY 1119 PINE HURST PLACE JACKSON, MS 39202	CAPITAL	PUBLIC	5,000.
JAYNE WARREN MCGOWAN SCHOLARSHIP FUND 400 RAY C. HUNT DRIVE CHARLOTTESVILLE, VA 22904	CAPITAL	PUBLIC	50,000.
KEEP MOBILE BEAUTIFUL 1451 GOVERNMENT STREET MOBILE, AL 36604	CAPITAL	PUBLIC	20,000.
MAIN STREET MOBILE 4850 MUSEUM DRIVE MOBILE, AL 36602	CAPITAL	PUBLIC	5,000.
MCGILL-TOOLEN 1501 OLD SHELL ROAD MOBILE, AL 36604	CAPITAL	PUBLIC	100,000.
MOBILE AREA CHAMBER OF COMMERCE 451 GOVERNMENT STREET MOBILE, AL 36602	CAPITAL	PUBLIC	100,000.
MOBILE ARTS COUNCIL 318 DAUPHIN STREET MOBILE, AL 36602	CAPITAL	PUBLIC	15,000.
MOBILE BOTANICAL GARDENS 5151 MUSEUM DRIVE MOBILE, AL 36608	OPERATING FUND	PUBLIC	25,000.
MOBILE CARNIVAL ASSOCIATION FLORAL PARADE P.O. BOX 2121 MOBILE, AL 36652	OPERATING FUND	PUBLIC	20,000.
MOBILE CARNIVAL ASSOCIATION P.O. BOX 2121 MOBILE, AL 36652	OPERATING FUND	PUBLIC	20,000.

MOBILE MUSEUM OF ART 4850 MUSEUM DRIVE MOBILE, AL 36608	OPERATING FUND	PUBLIC	100,000.
MOBILE PUBLIC LIBRARY 700 GOVERNMENT STREET MOBILE, AL 36602	CAPITAL	PUBLIC	1,750.
MOBILE SYMPHONY 257 DAUPHIN STREET MOBILE, AL 36602	CAPITAL	PUBLIC	50,000.
NATIONAL MARITIME MUSEUM OF GULF OF MEXICO P.O. BOX 3005 MOBILE, AL 36652	CAPITAL	PUBLIC	120,000.
OZANAM CHARITABLE PHARMACY 571 DAUPHIN STREET MOBILE, AL 36602	CAPITAL	PUBLIC	5,000.
PLAYHOUSE IN THE PARK 4851 MUSEUM DRIVE MOBILE, AL 36608	CAPITAL	PUBLIC	5,000.
RONALD MCDONALD HOUSE 1626 SPRINGHILL AVENUE MOBILE, AL 36604	CAPITAL	PUBLIC	500.
SERENITY CARE 5409 MALCOLM DRIVE MOBILE, AL 36693	OPERATING FUND	PUBLIC	3,500.
SOCIETY OF 1842 P.O. BOX 1566 MOBILE, AL 36633	OPERATING FUND	PUBLIC	30,000.
SOCIETY OF 1868 P.O. BOX 25 MOBILE, AL 36601	CAPITAL CAMPAIGN	PUBLIC	23,500.

SPRINGHILL COLLEGE 4000 DAUPHIN STREET MOBILE, AL 36608	CAPITAL	PUBLIC	100,000.
ST. LUKES EPISCOPAL SCHOOL 3975 JAPONICA LANE MOBILE, AL 36693	CAPITAL	PUBLIC	40,000.
ST. MARY PARISH 107 N LAFAYETTE STREET MOBILE, AL 36604	CAPITAL	PUBLIC	20,000.
ST. PAUL'S EPISCOPAL SCHOOL 161 DOGWOOD LANE MOBILE, AL 36608	CAPITAL	PUBLIC	20,000.
ST. VINCENT'S FOUNDATION 5023 CAMELOT DRIVE MOBILE, AL 36693	CAPITAL	PUBLIC	2,500.
THE NATURE CONSERVANCY 56 SAINT JOSEPH STREET #1600 MOBILE, AL 36602	CAPITAL	PUBLIC	25,000.
TRINITY EPISCOPAL CHURCH 1900 DAUPHIN STREET MOBILE, AL 36606	CAPITAL	PUBLIC	20,000.
UNIVERSITY OF MOBILE 5735 COLLEGE PKWY MOBILE, AL 36613	CAPITAL	PUBLIC	25,000.
UNIVERSITY OF SOUTH ALABAMA 5828 OLD SHELL ROAD MOBILE, AL 36608	CAPITAL	PUBLIC	40,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			1,340,000.

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PAGE 2, PART II, LINE (10B):	Number of Shares	Cost	Market Value 12/31/2010
Abbott Laboratories	5,000	246,398	239,550
Adobe Systems, Inc.	13,000	267,601	400,140
AES Corp.	5,000	210,241	60,900
Aflac Inc	4,000	207,259	225,720
Air Products & Chemicals Inc	4,000	329,965	363,800
Allegheny Technologies Inc	10,000	264,739	551,800
Anadarka Petroleum Corp	14,000	512,852	1,066,240
Apache Corp.	7,000	272,851	834,610
Atmos Energy Corp.	19,370	110,302	604,344
Bristol Myers Squibb Co.	6,500	142,498	172,120
Broadcom Corp CL A	8,000	152,135	348,400
California Water Service Group	4,140	30,500	154,299
Cenovus Energy Inc	1,500	440,244	498,600
Ceradyne Inc	5,000	129,381	157,650
Chubb Corp.	5,000	289,218	298,200
Citrix Systems Inc	5,000	322,466	342,050
Comcast	20,000	361,079	439,400
Clorox Company	5,000	280,820	316,400
Cubic Corp DE	2,500	109,851	117,875
Crown Castle International	10,100	304,135	442,683
DB Gold Double Long	8,000	235,473	343,440
Devon Energy New	6,000	432,542	471,060
Ecolab Inc	5,000	249,167	252,100
EMC Corp-Mass	20,000	255,600	458,000
Emerson Electric Co.	10,000	341,179	571,700
Encana Corp - CAD	7,000	198,441	203,840
Energen Corp.	24,000	34,611	1,158,240
Ennis Business Forms	31,500	218,494	538,650
Exxon Mobil Corp.	10,904	107,423	797,300
Freeport McMoran Copper & Gold	5,218	233,277	602,612
General Electric	12,000	98,473	219,480
Hess Corp	2,500	143,296	191,350
Honeywell International, Inc.	14,000	615,160	744,240
International Business Machines Corp.	6,000	475,908	880,560
Johnson & Johnson	3,000	98,683	185,550
Leggett & Platt	10,000	43,329	227,600

PAGE 2, PART II, LINE (10B):	Number of Shares	Cost	Value 12/31/2010
Merchants & Marine Bank	11,178	447,120	447,120
Middlesex Water Co.	10,000	110,137	183,500
Nalco Holdings Company	15,000	424,680	479,100
Nike Inc CL B	5,000	388,323	427,100
Norfolk Southern Corp.	2,000	116,858	125,640
Oracle	12,000	220,405	375,600
Pepsico, Inc. - North Carolina	3,162	5,159	206,573
Praxair	5,000	244,270	477,350
Proctor & Gamble Co	5,000	278,225	321,650
Royal Gold Inc.	5,000	210,483	273,150
Schlumberger Ltd.	10,000	550,925	835,000
Sina Corp	5,000	243,125	344,100
Southwest Airlines Co.	15,187	87,667	197,127
Southwestern Energy Co.	88,944	118,717	3,329,174
SPDR Gold Tr Gold	4,000	419,362	554,880
Steel Dynamics	17,000	281,075	311,100
Sunco	20,000	689,865	806,200
Teva Pharmaceuticals Inds	8,000	243,092	417,040
Texas Instruments Inc	20,000	560,363	650,000
Union Pacific Corp	7,000	274,870	648,620
Unitil Corp.	5,110	60,773	116,201
Vanguard International Equity Fund	4,000	198,116	196,360
Vondafone Group PLC Spons	15,000	345,697	396,600
Walt Disney Co.	5,000	173,691	187,550
Watson Pharmaceuticals Inc.	5,000	173,843	258,250
Weatherford Intl. Ltd. New	27,000	340,195	615,600
Yum Brands	8,000	369,193	392,400
		16,341,820	29,053,488

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PAGE 2, PART II, LINE (10C):	Number of Shares	Cost	Market Value 12/31/2010
Andarko Petroleum Corp	100,000	97,748	107,429
Transamerica Short Term Bond CL A	23,742	250,000	248,101
Kinder Morgan	200,000	189,101	220,262
Wyeth	300,000	307,014	338,952
JP Morgan Chase	200,000	196,052	212,848
GTE Corps	160,000	160,800	181,379
Waste Management Inc.	200,000	201,700	227,674
Ei Du Pont De Nemours	100,000	97,924	109,357
Weatherford International	100,000	89,871	110,974
		1,590,210	1,756,976

HEARIN-CHANDLER FOUNDATION
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PAGE 2, PART II, LINE (13):	Number of Shares	Cost	Market Value 12/31/2010
Enterprise Products Partners LP	25,000	324,255	1,040,250
Energy Transfer Partners LP	12,500	513,578	647,750
Kinder Morgan Energy Partners LP	10,000	185,113	702,600
Magellan Midstream Partners LP	8,000	216,140	452,000
Sunco Inc.	6,000	235,863	501,540
Western Gas Partners	25,000	490,789	757,500
		1,965,737	4,101,640

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PAGE 3, PART IV, LINE (1a)&(1b):

Description of Property Sold	Shares	Gross Sales Price	Cost or Other Basis	Gain/(Loss)	
Amgen Inc	3,000	159,367	159,828	(461)	ST
Baxter Intl. Inc.	4,000	170,979	176,620	(5,641)	ST
Kraft Foods Inc Class A	10,000	303,889	315,070	(11,181)	ST
Merck & Co New	6,000	206,462	224,023	(17,561)	ST
Plains Exploration & Production Co	2,000	61,324	66,905	(5,581)	ST
Raytheon Company New	8,000	378,107	476,377	(98,270)	ST
Thermo Fisher Scientific Inc	4,000	192,515	185,023	7,492	ST
Titanium Metals Corp	7,000	122,782	115,300	7,482	ST
Transocean Ltd	4,000	313,706	327,068	(13,362)	ST
Verizon Communications	5,000	147,907	152,594	(4,687)	ST
Amgen Inc	200,000	216,516	205,884	10,632	ST
Andarko Petroleum Corp	200,000	192,988	193,000	(12)	ST
Cisco Sys Inc.	200,000	208,582	199,136	9,446	ST
Coca Cola Co	200,000	208,678	203,250	5,428	ST
Plains all American Pipeline, LP	8,500	511,771	343,077	168,694	ST
		3,395,573	3,343,155	52,418	
Amgen Inc	5,000	265,612	314,410	(48,798)	
Apple Inc	700	139,961	91,819	48,142	
BankTrust Financial Group	16,500	49,808	125,424	(75,616)	
Baxter Intl. Inc.	6,000	256,469	246,019	10,450	
Cisco Sys Inc.	5,000	96,695	51,320	45,375	
Crown Castle International	6,000	254,330	174,849	79,481	
Eog Resources Inc	7,000	655,647	474,020	181,627	
ITT Industries	8,000	352,910	207,602	145,308	
Market Vectors	10,000	435,245	453,007	(17,762)	
Bank of New York	10,000	253,487	301,179	(47,692)	
Microsoft	10,000	242,590	127,905	114,685	
Nisource	5,000	86,903	27,383	59,520	
Qualcomm Inc	10,000	423,335	457,723	(34,388)	
Quicksilver Resources Inc.	4,000	50,744	84,880	(34,136)	
Roche Hldg Ltd	16,000	517,265	430,580	86,685	
Superior Well Services	10,000	221,200	243,409	(22,209)	
Thermo Fisher Scientific Inc	6,000	288,773	230,880	57,893	
Watson Pharmaceuticals Inc	5,000	217,662	173,843	43,819	
Wells Fargo & Co New	8,000	191,140	222,022	(30,882)	

Williams Cos Inc	10,000	189,111	223,650	(34,539)
Zimmer Holdings Inc	12,000	573,265	883,580	(310,315)
Marathon Oil Co	200,000	230,754	185,495	45,259
XTO Energy Inc	200,000	217,724	193,946	23,778
Mobile Cnty ALA	100,000	102,326	100,586	1,740
San Antonio Tx WTR SYS Rev	200,000	202,074	194,756	7,318
Alliance Bernstein Hldg LP	10,000	248,568	232,957	15,611
Penn VA Resource Partners LP	20,000	455,305	365,848	89,457
Plains all American Pipeline, LP	7,000	421,459	223,478	197,981
		7,640,362	7,042,570	597,792
		$ 11,035,935	$ 10,385,725	$ 650,210

The Hearin-Chandler Foundation
Comprehensive Depreciation [Depreciation]
GAAP
For the Period January 1, 2010 to December 31, 2010

	Selected Dates		Asset Balances						Depreciable Basis						Current & Accum Depreciation					
Asset ID	Placed In Service Date	Disposal Date	Beginning	Additions	Deletions	Ending	Depr Meth/Conv	Life Yr Mo	Book Cost	Credit Reduction Amount	Bus Use %	Net S179/A & AFYD	Prior Reported Depreciation	Depreciable Basis	Beginning Accum Depr	Current Depr & AFYD	Net Sec 179/179A	Net Additions Deletions	Ending Accum Depr	Net Book Value
000010	Upholster furniture 7/10/2007		1,305 00	0 00	0 00	1,305 00	SL100FM	7 0	1,305 00	0 00	100 00	0 00	466 07	1,305 00	466 07	186 43	0 00	0 00	652 50	652 50
000020	Refinish office furniture 7/10/2007		1,200 00	0 00	0 00	1,200 00	SL100FM	7 0	1,200 00	0 00	100 00	0 00	428 57	1,200 00	428 57	171 43	0 00	0 00	600 00	600 00
000030	Bronstein's office furniture 8/23/2007		7,165 83	0 00	0 00	7,165 83	SL100FM	7 0	7,165 83	0 00	100 00	0 00	2,473 92	7,165 83	2,473 92	1,023 69	0 00	0 00	3,497 61	3,668 22
000040	Rugs 8/23/2007		7,886 40	0 00	0 00	7,886 40	SL100FM	7 0	7,886 40	0 00	100 00	0 00	2,722 69	7,886 40	2,722 69	1,126 63	0 00	0 00	3,849 32	4,037 08
000050	OEC office furniture 8/23/2007		11,469 84	0 00	0 00	11,469 84	SL100FM	7 0	11,469 84	0 00	100 00	0 00	3,959 83	11,469 84	3,959 83	1,638 55	0 00	0 00	5,598 38	5,871 46
000060	Shutters 8/23/2007		6,203 20	0 00	0 00	6,203 20	SL100FM	10 0	6,203 20	0 00	100 00	0 00	1,499 11	6,203 20	1,499 11	620 32	0 00	0 00	2,119 43	4,083 77
000070	Television 9/19/2007		1,524 96	0 00	0 00	1,524 96	SL100FM	5 0	1,524 96	0 00	100 00	0 00	711 64	1,524 96	711 64	304 99	0 00	0 00	1,016 63	508 33
000080	Desk chair 9/19/2007		860 33	0 00	0 00	860 33	SL100FM	7 0	860 33	0 00	100 00	0 00	286 77	860 33	286 77	122 90	0 00	0 00	409 67	450 66
000090	Computer & printer 10/18/2007		1,004 57	0 00	0 00	1,004 57	SL100FM	5 0	1,004 57	0 00	100 00	0 00	452 05	1,004 57	452 05	200 91	0 00	0 00	652 96	351 61
000100	Office furniture 12/13/2007		1,466 23	0 00	0 00	1,466 23	SL100FM	7 0	1,466 23	0 00	100 00	0 00	436 38	1,466 23	436 38	209 46	0 00	0 00	645 84	820 39
000110	Office artwork 2/22/2008		7,500 00	0 00	0 00	7,500 00	SL100FM	10 0	7,500 00	0 00	100 00	0 00	1,437 50	7,500 00	1,437 50	750 00	0 00	0 00	2,187 50	5,312 50
000120	Office artwork 3/25/2008		4,000 00	0 00	0 00	4,000 00	SL100FM	10 0	4,000 00	0 00	100 00	0 00	733 33	4,000 00	733 33	400 00	0 00	0 00	1,133 33	2,866 67
000130	Office artwork 4/21/2008		5,928 44	0 00	0 00	5,928 44	SL100FM	10 0	5,928 44	0 00	100 00	0 00	1,037 47	5,928 44	1,037 47	592 84	0 00	0 00	1,630 31	4,298 13
000140	Office furnishings 3/25/2008		11,885 00	0 00	0 00	11,885 00	SL100FM	10 0	11,885 00	0 00	100 00	0 00	2,178 92	11,885 00	2,178 92	1,188 50	0 00	0 00	3,367 42	8,517 58
000150	Office furnishings 7/24/2008		1,051 70	0 00	0 00	1,051 70	SL100FM	10 0	1,051 70	0 00	100 00	0 00	157 76	1,051 70	157 76	105 17	0 00	0 00	262 93	788 77
000160	Laptop 8/1/2008		1,449 69	0 00	0 00	1,449 69	SL100FM	10 0	1,449 69	0 00	100 00	0 00	205 37	1,449 69	205 37	144 97	0 00	0 00	350 34	1,099 35
000170	Laptop 9/16/2010		0 00	2,466 89	0 00	2,466 89	SL100FM	10 0	2,466 89	0 00	100 00	0 00	0 00	2,466 89	0 00	82 23	0 00	0 00	82 23	2,384 66
Grand Total			71,901 19	2,466 89	0 00	74,368 08			74,368 08	0 00		0 00	19,187 38	74,368 08	19,187 38	8,869 02	0 00	0 00	28,056 40	46,311 68