



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

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

PAYNE FOUNDATION

C/O TERRI LACY

Number and street (or P O box number if mail is not delivered to street address)

600 TRAVIS, SUITE 4200

City or town, state, and ZIP code

HOUSTON, TX 77002

H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end

of year (from Part II, col (c), line

16) ▶ \$ 1,922,649.

J Accounting method ☒ Cash ☐ Accrual☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

A Employer identification number

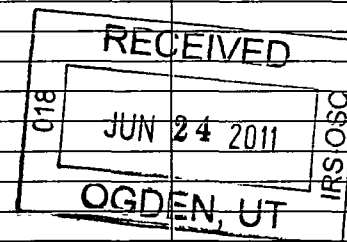
73-1646678

B Telephone number (see page 10 of the instructions)

() -

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc. received (attach schedule) if the foundation is not required to attach Sch B <input type="checkbox"/>	0.			
2 Check <input type="checkbox"/>				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	30,499.	30,499.		ATCH 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	12,032.			
b Gross sales price for all assets on line 6a 695,335.		12,032.		
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	42,531.	42,531.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule) *	1,594.	1,594.		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) **	431.	431.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	4,200.			4,200.
22 Printing and publications				
23 Other expenses (attach schedule)				
24 Total operating and administrative expenses. Add lines 13 through 23	6,225.	2,025.		4,200.
25 Contributions, gifts, grants paid	63,800.			63,800.
26 Total expenses and disbursements. Add lines 24 and 25	70,025.	2,025.		68,000.
27 Subtract line 26 from line 12	-27,494.			
a Excess of revenue over expenses and disbursements		40,506.		
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 2 JSA ** ATCH 3

Form 990-PF (2010) 5

DE1410 1 000

5DU3X8 2917 5/6/2011 12:28:42 PM V 10-6.1

7100-040

PAGE 3

SCANNED JUN 25 2011

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			
	2	Savings and temporary cash investments	175,852.	166,008.	166,008.
	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			
	10 a	Investments - U.S. and state government obligations (attach schedule) . .			
	b	Investments - corporate stock (attach schedule) ATCH 4 . .	1,669,550.	1,651,900.	1,756,641.
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)			
	14	Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	1,845,402.	1,817,908.	1,922,649.	
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 (attach schedule)			
	22	Other liabilities (describe ▶)			
23	Total liabilities (add lines 17 through 22)		0.		
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 . .	1,845,402.	1,817,908.	
	30	Total net assets or fund balances (see page 17 of the instructions)	1,845,402.	1,817,908.	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,845,402.	1,817,908.		

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	1,845,402.
2	Enter amount from Part I, line 27a	2	-27,494.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,817,908.
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	1,817,908.

Form 990-PF (2010)

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	12,032.	
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.

(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	82,376.	1,583,750.	0.052013
2008	114,823.	1,945,441.	0.059022
2007	107,211.	2,278,325.	0.047057
2006	109,707.	2,096,865.	0.052320
2005	101,483.	2,015,669.	0.050347
2 Total of line 1, column (d)			2 0.260759
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 0.052152
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 1,857,598.
5 Multiply line 4 by line 3			5 96,877.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 405.
7 Add lines 5 and 6			7 97,282.
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 68,000.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		1	405.
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	405.
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	405.
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	363.	
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	363.	
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	42.	
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?		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)? 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		X
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 \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
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		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		X
4a 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? If "Yes," attach the statement required by General Instruction T		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?		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	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions)		
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

Form 990-PF (2010)

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		
Website address N/A				
14	The books are in care of TERRI LACY Telephone no 			
Located at 600 TRAVIS, SUITE 4200, HOUSTON, TX ZIP + 4 77002				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> 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? 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 	16	Yes	No

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 checked="" type="checkbox"/> Yes <input 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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
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	X
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

Form 990-PF (2010)

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☒ **5b** ☐ X

Organizations relying on a current notice regarding disaster assistance check here ☒

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

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **6b** ☐ 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? ☐ Yes ☒ No **7b** ☐ X

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 5		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 ☐

Form 990-PF (2010)

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	

Form 990-PF (2010)

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	1,719,317.
b	Average of monthly cash balances	1b	166,569.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	1,885,886.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,885,886.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	28,288.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,857,598.
6	Minimum investment return. Enter 5% of line 5	6	92,880.

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	92,880.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	405.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	405.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	92,475.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	92,475.
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	92,475.

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	68,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	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	68,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	405.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	67,595.

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				92,475.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
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				6,082.
c From 2007				
d From 2008				18,589.
e From 2009				3,545.
f Total of lines 3a through e	28,216.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 68,000.				
a Applied to 2009, but not more than line 2a				
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				68,000.
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))	24,475.			24,475.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,741.			
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				
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	3,741.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				196.
d Excess from 2009				3,545.
e Excess from 2010				

Form 990-PF (2010)

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)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a 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 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))

CAROLYN PAYNE, LEON M PAYNE, JR., MIRIAM PAYNE PRIOLEAU

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

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

N/A

c Any submission deadlines

N/A

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

N/A

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
<i>a Paid during the year</i> SEE STATEMENT				63,800.
Total			3a	63,800.
<i>b Approved for future payment</i>				
Total			3b	

Form 990-PF (2010)

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	30,499.	
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	12,032.	
9	Net income or (loss) from special events . . .					
10	Gross profit or (loss) from sales of inventory . .					
11	Other revenue a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)				42,531.	
13	Total. Add line 12, columns (b), (d), and (e)					42,531.

(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]

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

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?		Yes	No
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

Date _____

Title

Print/Type preparer's name

Preparer's signature

Date

PTIN	
------	--

Change Count

13 2011

Check ☐ if self-employed

P00366963

**Paid
Preparer
Use Only**

Firm's name ► MARGOLIS, PHIPPS & WRIGHT P.C.

Firm's EIN ► 76-0324056

Firm's address ► 1400 POST OAK BLVD., STE 900

HOUSTON, TX

77056-3009

Phone no 713-625-3500

Form 990-PF (2010)

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)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					9,200.	
216,268.		SEE STATEMENT ATTACHED 014-09477-5 215,168.					VAR 1,100.	VAR
449,693.		SEE STATEMENT ATTACHED 014-09477-5 445,970.					VAR 3,723.	VAR
4,413.		SEE STATEMENT ATTACHED 014-14229-3 4,934.					VAR -521.	VAR
15,761.		SEE STATEMENT ATTACHED 014-14229-3 17,231.					VAR -1,470.	VAR
TOTAL GAIN (LOSS)							<u>12,032.</u>	

ATTACHMENT 1

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GOLDMAN SACHS DIVIDENDS	30,260.	30,260.
GOLDMAN SACHS INTEREST	239.	239.
TOTAL	<u>30,499.</u>	<u>30,499.</u>

ATTACHMENT 2

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GS MANAGEMENT FEES	1,506.	1,506.
ADMINISTRATIVE EXPENSES	88.	88.
TOTALS	<u>1,594.</u>	<u>1,594.</u>

PAYNE FOUNDATION

73-1646678

ATTACHMENT 3

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	REVENUE AND EXPENSES <u>PER BOOKS</u>	NET INVESTMENT <u>INCOME</u>
FOREIGN TAX WITHHELD	431.	431.
TOTALS	<u>431.</u>	<u>431.</u>

ATTACHMENT 4FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GOLDMAN SACHS CORE FIXED INC	397,799.	383,424.
GOLDMAN SACHS HIGH YIELD	107,303.	113,983.
GOLDMAN SACHS LARGE CAP VALUE	199,621.	191,926.
GOLDMAN SACHS MID CAP VALUE	0.	0.
EXXON MOBIL CORP	29,770.	50,453.
ISHARES RUSSEL 2000 FUND	35,112.	41,467.
GOLDMAN SACHS GROUP- S&P 500	175,000.	187,685.
ISHARES TR-ISHARES MSCI EAFE	70,415.	94,316.
GOLDMAN SACHS GROUP- MSCI EAFE	125,000.	135,111.
GOLDMAN SACHS ALL CAP GROWTH	180,892.	193,957.
GS EMERGING MKTS DEBT FUND	36,072.	37,127.
SPDR S&P 500 ETF TRUST	202,795.	216,919.
GS - COMMON STOCK (THORNBURG)	92,121.	110,273.
TOTALS	<u>1,651,900.</u>	<u>1,756,641.</u>

PAYNE FOUNDATION

73-1646678

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 5

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
CAROLYN W. PAYNE C/O TERRI LACY 600 TRAVIS, SUITE 4200	OFFICER	0.	0.	0.
LEON PAYNE, JR. C/O TERRI LACY 600 TRAVIS, SUITE 4200	OFFICER	0.	0.	0.
MIRIAM PAYNE PRIOLEAU C/O TERRI LACY 600 TRAVIS, SUITE 4200	OFFICER	0.	0.	0.
JULIE PAYNE C/O TERRI LACY 600 TRAVIS, SUITE 4200	DIRECTOR	0.	0.	0.
CHARLIE PRIOLEAU C/O TERRI LACY 600 TRAVIS, SUITE 4200	DIRECTOR	0.	0.	0.
GRAND TOTALS		0.	0.	0.

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

OMB No 1545-0092

2010

Name of estate or trust **PAYNE FOUNDATION**

Employer identification number

C/O TERRI LACY

73-1646678

Note: Form 5227 filers need to complete *only* Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	579.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	579.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	2,253.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	9,200.
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	11,453.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2010

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part				
13	Net short-term gain or (loss)	13		579.
14	Net long-term gain or (loss):			
a	Total for year	14a		11,453.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		12,032.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet** necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of	16	()
a	The loss on line 15, column (3) or b \$3,000		

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . .	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- . . . ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,300	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (15)	30	
31	Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Schedule D (Form 1041) 2010

Department of the Treasury
Internal Revenue Service

▶ See instructions for Schedule D (Form 1041).
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

2010

PAYNE FOUNDATION

73-1646678

[illegible]

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b	579.
--	------

Schedule D-1 (Form 1041) 2010

JSA
OF 1221 1 000

5DU3X8 2917 5/6/2011 12:28:42 PM V 10-6.1

7100-040

PAGE 24

Employer identification number

[illegible]

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b 2,253.

Base Currency: USD

Realized Gains/Losses Symbol Description	Trade Date	Date Sold / Covered	Qty	Proceeds (Base)	Cost (Base)	Gain/Loss (Base)	Gain Type
FLDID FLUIDITY & CO. A/S SPONSORED ADR CMN	24-Aug-09	5-Jan-10	25	183.42	127.67	55.75	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	16-Apr-09	3-Feb-10	29	188.77	191.45	(2.68)	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	22-Apr-09	4-Feb-10	43	281.97	271.25	10.72	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	5-Jun-09	4-Feb-10	22	144.26	194.32	(50.06)	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	16-Apr-09	4-Feb-10	15	98.36	99.08	(0.67)	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	9-May-09	4-Feb-10	48	314.76	357.04	(42.28)	Short-Term
DBOEF DEUTSCHE BÖRSE AG UNPOSNERED ADR CMN	20-Oct-09	4-Feb-10	23	150.82	211.74	(60.92)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	10-Aug-09	25-Mar-10	11	245.51	273.48	(27.97)	Short-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	17-Dec-09	12-Apr-10	39	150.82	200.48	(49.66)	Short-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	26-Mar-10	12-Apr-10	50	193.36	212.00	(18.64)	Short-Term
NOK NOKIA CORP SPON ADR SPONSORED ADR CMN	22-Feb-10	22-Apr-10	14	179.18	188.44	(9.26)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	11-Aug-09	26-Apr-10	4	85.94	97.60	(11.66)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	10-Aug-09	26-Apr-10	4	85.94	99.45	(13.51)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	11-Aug-09	27-Apr-10	4	82.11	97.60	(15.49)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	12-Aug-09	27-Apr-10	4	82.11	98.27	(16.16)	Short-Term
LFNEY LAFARGE SPONSORED ADR CMN	28-Jun-10	20-May-10	8	113.83	153.61	(39.78)	Short-Term
OEZVY VERBUND AG SPONSORED ADR CMN	26-Mar-10	1-Jul-10	1	6.17	7.85	(1.68)	Short-Term
OEZVY VERBUND AG SPONSORED ADR CMN	26-Mar-10	7-Jul-10	31	200.73	243.35	(42.62)	Short-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	22-Feb-10	13-Jul-10	13	171.79	209.82	(38.03)	Short-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	22-Feb-10	20-Sep-10	14	208.72	218.40	(9.68)	Short-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	26-Mar-10	30-Sep-10	3	178.26	209.39	(31.13)	Short-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	22-Feb-10	30-Sep-10	2	118.84	134.50	(15.66)	Short-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	7-May-10	30-Sep-10	2	118.84	129.21	(10.37)	Short-Term
RHHBY ROCHE HOLDING AG ADR B SHS(NOM CHF 100) VAI 224 184	22-Feb-10	22-Nov-10	3	108.78	126.27	(17.49)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	13-Jan-10	2-Dec-10	8	130.51	221.52	(91.01)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	22-Feb-10	2-Dec-10	10	163.14	221.00	(57.86)	Short-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	25-Aug-10	2-Dec-10	13	212.08	219.08	(7.00)	Short-Term
LULU LULULEMON ATHLETICA INC. CMN	10-Sep-10	13-Dec-10	3	213.67	120.20	93.47	Short-Term

TOTAL SHORT TERM GAIN/(LOSSES)

4,417.89 4,934.02 (521.33)

ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	7-Jan-10	9	84.60	55.35	29.25	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	8-Jan-10	21	194.04	129.15	64.89	Long-Term
WMWMT WAL-MART DE MEXICO S.A. DE CV SPONSORED ADR REPSTG SER V SHS	4-Jun-08	11-Jan-10	2	58.79	68.20	(9.41)	Long-Term
WMWMT WAL-MART DE MEXICO S.A. DE CV SPONSORED ADR REPSTG SER V SHS	4-Jun-08	14-Jan-10	3	144.29	132.30	11.99	Long-Term
NSRGY NESTLE SA SPONSORED ADR (REP 1/20 CHF 10 REGD SHS)	4-Jun-08	19-Jan-10	4	191.29	197.68	(6.39)	Long-Term
SBMRY SABMILLER PLC SPONSORED ADR	4-Jun-08	20-Jan-10	9	254.26	234.00	20.26	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	29-Jan-10	16	71.75	177.00	(105.25)	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	1-Feb-10	24	216.49	147.60	68.89	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	1-Feb-10	27	118.83	190.25	(71.42)	Long-Term
TM TOYOTA MOTOR CORPORATION SPON ADR	4-Jun-08	3-Feb-10	1	76.49	104.43	(27.94)	Long-Term
CCM COCA-COLA HELLENIC BOTTLING CO SPONSORED ADR CMN	4-Jun-08	24-Mar-10	4	129.55	164.01	(34.46)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	25-Mar-10	15	218.72	282.90	(64.18)	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	11-Feb-10	22	87.70	236.50	(148.80)	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	12-Feb-10	18	67.28	193.50	(126.22)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	16-Mar-10	17	261.96	320.62	(58.66)	Long-Term
NVO NOVONORDISK A/S ADR ADR CMN	4-Jun-08	17-Mar-10	3	234.94	195.78	39.16	Long-Term
CCM COCA-COLA HELLENIC BOTTLING CO SPONSORED ADR CMN	4-Jun-08	26-Mar-10	4	108.81	164.01	(55.20)	Long-Term
CCM COCA-COLA HELLENIC BOTTLING CO SPONSORED ADR CMN	4-Jun-08	29-Mar-10	6	162.99	246.02	(83.03)	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	10-Dec-08	6-Apr-10	33	126.86	115.37	11.49	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	4-Jun-08	6-Apr-10	48	384.33	516.00	(131.67)	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	29-Jan-09	9-Apr-10	32	122.33	107.43	14.91	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	10-Dec-08	9-Apr-10	8	30.59	27.97	2.62	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	30-Dec-08	9-Apr-10	36	137.64	133.77	3.87	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	12-Apr-10	33	361.29	202.95	158.34	Long-Term
NBG NATIONAL BANK OF GREECE - ADR SPONSORED ADR CMN	29-Jan-09	12-Apr-10	9	34.81	30.22	4.59	Long-Term
WMWMT WAL-MART DE MEXICO S.A. DE CV SPONSORED ADR REPSTG SER V SHS	4-Jun-08	21-Apr-10	1	57.75	64.10	(6.35)	Long-Term
NOK NOKIA CORP SPON ADR SPONSORED ADR CMN	4-Jun-08	22-Apr-10	9	115.19	181.56	(66.37)	Long-Term
NOK NOKIA CORP SPON ADR SPONSORED ADR CMN	4-Jun-08	22-Apr-10	48	614.33	1,308.96	(694.63)	Long-Term
NOK NOKIA CORP SPON ADR SPONSORED ADR CMN	9-Dec-08	22-Apr-10	9	115.19	131.40	(16.21)	Long-Term
FAMUY FAMUC LIMITED UNPOSNERED ADR CMN	16-Dec-08	28-Apr-10	4	237.96	331.19	(93.23)	Long-Term
SLB SCHLUMBERGER LTD CMN	4-Jun-08	30-Apr-10	2	143.41	200.12	(56.71)	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	10-Jun-10	18	221.43	110.70	110.73	Long-Term
BSBY BRITISH SATELLITE BROADCASTING GROUP PLC AMERICAN DEPOSITARY SHARES (1 ADR)	19-Sep-08	16-Jun-10	10	415.20	319.68	95.53	Long-Term
OEZVY VERBUND AG SPONSORED ADR CMN	4-Jun-08	30-Jun-10	49	301.53	855.05	(553.52)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	30-Jun-10	7	90.98	182.02	(91.04)	Long-Term
BSBY BRITISH SATELLITE BROADCASTING GROUP PLC AMERICAN DEPOSITARY SHARES (1 ADR)	30-Sep-08	30-Jun-10	5	209.38	147.54	61.84	Long-Term
BSBY BRITISH SATELLITE BROADCASTING GROUP PLC AMERICAN DEPOSITARY SHARES (1 ADR)	19-Sep-08	30-Jun-10	2	63.74	63.94	(0.20)	Long-Term
OEZVY VERBUND AG SPONSORED ADR CMN	13-Mar-09	1-Jul-10	10	61.67	66.49	(4.82)	Long-Term
OEZVY VERBUND AG SPONSORED ADR CMN	4-Jun-08	1-Jul-10	2	12.34	34.90	(22.57)	Long-Term
OEZVY VERBUND AG SPONSORED ADR CMN	13-Mar-09	1-Jul-10	9	55.51	59.54	(4.03)	Long-Term
OEZVY VERBUND AG SPONSORED ADR CMN	16-Mar-09	1-Jul-10	9	55.51	61.30	(5.79)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	1-Jul-10	7	89.06	132.02	(42.96)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	7-Jul-10	5	64.17	94.30	(30.13)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	6-Jul-10	9	118.26	163.74	(45.48)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	7-Jul-10	11	144.18	207.46	(63.28)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	8-Jul-10	10	132.85	188.60	(55.75)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	4-Jun-08	9-Jul-10	1	13.18	18.86	(5.68)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	16-Sep-08	9-Jul-10	3	39.33	42.53	(3.20)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	16-Sep-08	12-Jul-10	8	105.04	113.41	(8.37)	Long-Term
TCK TURKCELL ILETISIM HIZMETLERI SPONSORED ADR CMN	16-Sep-08	13-Jul-10	1	13.21	14.18	(0.96)	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	13-Jul-10	18	251.26	110.70	140.56	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	14-Jul-10	17	247.11	104.55	142.56	Long-Term
ARMH ARM HOLDINGS PLC SPON ADR SPONSORED ADR CMN	4-Jun-08	2-Aug-10	18	280.02	110.70	169.32	Long-Term
POT POTASH CORP OF SASKATCHEWAN INC.	4-Jun-08	24-Aug-10	1	152.00	208.68	(56.68)	Long-Term
POT POTASH CORP OF SASKATCHEWAN INC.	4-Jun-08	25-Aug-10	2	297.08	417.36	(120.28)	Long-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	4-Jun-08	7-Sep-10	2	117.94	116.34	1.60	Long-Term
LVMM LVMM MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	7-Nov-08	10-Sep-10	9	226.13	115.84	110.30	Long-Term
LVMM LVMM MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	12-Nov-08	10-Sep-10	1	25.13	11.24	13.89	Long-Term
HLPPY HANG LUNG PPTV LTD SPONSORED ADR CMN	4-Jun-08	13-Sep-10	17	403.73	317.73	86.00	Long-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	21-Jan-09	16-Sep-10	17	254.71	184.41	70.30	Long-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	22-Jan-09	16-Sep-10	9	134.85	102.90	31.95	Long-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	30-Jan-09	17-Sep-10	12	179.55	143.43	36.12	Long-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	13-Mar-09	17-Sep-10	6	89.77	64.83	24.94	Long-Term
CMOXY CSL LIMITED UNPOSNERED ADR CMN	13-Mar-09	20-Sep-10	7	104.36	75.64	28.72	Long-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	24-Oct-08	30-Sep-10	4	237.68	156.17	81.51	Long-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	4-Jun-08	30-Sep-10	10	594.19	581.70	12.49	Long-Term
LFC CHINA LIFE INSURANCE CO LTD SPONSORED ADR CMN	12-Nov-08	30-Sep-10	7	415.94	275.62	140.32	Long-Term
LOGI LOGITECH INTERNATIONAL SA ORD CMN	4-Jun-08	12-Oct-10	13	241.90	422.37	(180.47)	Long-Term
INFY INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN	9-Feb-09	13-Oct-10	1	71.29	29.22	42.07	Long-Term
LOGI LOGITECH INTERNATIONAL SA ORD CMN	4-Jun-08	13-Oct-10	5	93.49	167.45	(73.96)	Long-Term
INFY INFOSYS TECHNOLOGIES SPON ADR SPONSORED ADR CMN	20-Feb-09	13-Oct-10	2	142.57	49.19	93.38	Long-Term
NVO NOVONORDISK A/S ADR ADR CMN	4-Jun-08	20-Oct-10	4	403.65	261.04	142.61	Long-Term
LVMM LVMM MOET HENNESSY LOUIS VUITTON S.A. ADR CMN	12-Nov-08	22-Oct-10	9	282.59	101.15	181.44	Long-Term
SCCO SOUTHERN COPPER CORPORATION CMN	17-Jul-09	4-Nov-10	10	449.12	228.33	220.79	Long-Term
KMTUY KDMATTSU LTD ADR (NEW) SPONSORED GDS CMN	4-Jun-08	9-Nov-10	12	333.35	390.00	(56.65)	Long-Term
LOGI LOGITECH INTERNATIONAL SA ORD CMN	4-Jun-08	9-Nov-10	13	235.06	422.37	(187.31)	Long-Term
FLDID FLUIDITY & CO. A/S SPONSORED ADR CMN	24-Aug-09	17-Nov-10	14	105.09	71.50	33.59	Long-Term
FLDID FLUIDITY & CO. A/S SPONSORED ADR CMN	25-Aug-09	17-Nov-10	20	150.12	104.60	45.52	Long-Term
RHHBY ROCHE HOLDING AG ADR B SHS(NOM CHF 100) VAI 224 184	4-Jun-08	22-Nov-10	36	1,305.31	1,591.92	(286.61)	Long-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	12-Aug-09	1-Dec-10	4	64.19	98.27	(34.09)	Long-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	24-Aug-09	1-Dec-10	16	256.74	389.56	(132.82)	Long-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	28-Aug-09	1-Dec-10	11	176.51	292.63	(116.12)	Long-Term
ISNPF INTESA SANPAOLO SPONSORED ADR CMN	28-Aug-09	2-Dec-10	1	18.31	26.80	(8.49)	Long-Term
IDCBY INDUSTRIAL & COMMERCIAL BANK OF ADR CMN	8-Apr-09	30-Dec-10	0.5	-	-	-	Long-Term

TOTAL LONG TERM GAINS/(LOSSES)

15,760.93 17,231.15 (1,470.22)

TOTAL GAINS/(LOSSES)

20,178.82 22,165.17 (1,986.35)

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

Description	ADDRESS	RELATIONSHIP TO	FOUNDATION STATUS	PURPOSE OF	AMOUNT
		SUBSTANTIAL CONTRIBUTOR	OF RECIPIENT	GRANT	
SMALL STEPS NURTURING CENTER	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
INTERFACE MINISTRIES	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,550
THE AMERICAN RED CROSS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,000
PLANNED PARENTHOOD OF HOUSTON AND SOUTHEAST TEXAS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
MAKE-A-WISH FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
HUGUENOT SOCIETY OF SOUTH CAROLINA	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,000
EPISCOPAL HIGH SCHOOL-ANNFND	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	6,250
JUNIOR LEAGUE OF HOUSTON	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
GOODFELLOWS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
STAR OF HOPE MISSION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
TEXAS A&M UNIVERSITY	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
VIRGINIA THEOLOGICAL SEMINARY	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
CANDLELIGHTERS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
ST LUKES CENTER FOR COUNSELING AND LIFE ENRICHMENT	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
BROWN UNIVERSITY	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,000
BIG BROTHERS & BIG SISTERS OF GREATER HOUSTON	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
THE MUSEUM OF FINE ARTS, HOUSTON	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
TEXAS HEART INSTITUTE	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
PRO-VISION INC	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
HOUSTON BALLET FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	3,100
BEAR-CHANGE IS GOOD	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
DA CAMERA GALA	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	3,000
THE STANFORD FUND	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
THE CHINQUAPIN SCHOOL	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	5,400
THE FORUM OF CIVICS FOUNDATION	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
CAN CARE HOUSTON	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
CASA DE ESPERANZA	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
CHRISTIAN COMMUNITY SERVICE CENTER	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
AMAZING PLACE	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	1,000
BO'S PLACE	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
KIDS MEALS	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
HEROES FOR CHILDREN	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	500
TEXAS CHILDREN'S HOSPITAL	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
RIVER OAKS GARDEN CLUB	HOUSTON, TX	N/A	PUBLIC	GENERAL PURPOSE	2,500
					<u>63,800</u>

Payne Foundation 014-09477-5
From 01 Jan 2010 To 31 Dec-2010

Base Currency USD

Realized Gains/Losses

Symbol	Description	Trade Date	Date Sold / Covered	Qty	Proceeds (Base)	Cost (Base)	Gain/Loss (Base)	Gain Type
SPX2UP8	THE GOLDMAN SACHS GROUP, INC LINKED TO S&P 500 0% COUPON DUE 02/16/2010 STRUCTURED NOTE	1 Aug-08	16-Feb-10	200	200,000 00	200,000 00	-	Short-Term
XLK	TECHNOLOGY SELECT INDEX SPDR	19 Feb 10	14 Apr 10	200	4,755 92	4,398 00	357 92	Short Term
XLK	TECHNOLOGY SELECT INDEX SPDR	12-Mar 10	14-Apr-10	200	4,755 92	4,578 00	177 92	Short-Term
XLK	TECHNOLOGY SELECT INDEX SPDR	1 Mar 10	14 Apr 10	200	4,755 92	4,382 00	373 92	Short Term
GAMD	GS LOCAL EMERGING MKTS DEBT FD MUTUAL FUND - CL A	19-Feb-10	4-Oct 10	202 02	2,000 00	1,810 10	189 90	Short-Term

TOTAL SHORT TERM GAINS/(LOSSES)

216,267 76 215,168 10 1,099 66

GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	16-Jan-03	25-Mar-10	548 246	6,145 84	5,000 00	1,145 84	Long-Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	13 Jan 03	25 Mar 10	542 888	6,085 77	5 000 00	1,085 77	Long Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	27-Jan 03	25-Mar-10	586 166	6,570 92	5,000 00	1,570 92	Long-Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	14 Feb 03	25 Mar 10	588 928	6,601 88	5,000 00	1,601 88	Long Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	26-Nov-03	25-Mar 10	1,135 29	12,726 59	12,000 00	726 59	Long-Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	5 Aug-04	25-Mar 10	2 185 32	24,497 38	25,000 00	(502 62)	Long-Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	19-Dec-02	25-Mar 10	891 352	9,992 06	7,986 52	2,005 54	Long Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	2 Jan 03	25 Mar 10	543 478	6,092 39	5,000 00	1,092 39	Long Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	31-Aug-06	25-Mar-10	1,075 36	12,054 80	14,839 98	(2,785 19)	Long-Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	20-Dec 02	25-Mar 10	550 661	6,172 91	5,000 00	1,172 91	Long Term
GSLX	GOLDMAN SACHS LARGE CAP VALUE CLASS A	7-Jan-03	25-Mar-10	540 541	6,059 46	5,000 00	1,059 46	Long Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	19 Dec 02	25 Mar 10	178 015	5,548 73	4,000 00	1,548 73	Long Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	20-Dec-02	25-Mar 10	87 719	2,734 20	2 000 00	734 20	Long-Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	2 Jan 03	25-Mar 10	86 468	2,695 21	2,000 00	695 21	Long Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	27-Jan 03	25-Mar 10	93 11	2,902 24	2,000 00	902 24	Long-Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	7 Jan 03	25-Mar 10	86 505	2,696 36	2,000 00	696 36	Long Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	13-Jan-03	25-Mar 10	86 73	2,703 37	2,000 00	703 37	Long-Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	16 Jan 03	25-Mar-10	87 451	2,725 85	2,000 00	725 85	Long Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	14-Feb-03	25-Mar-10	93 985	2,929 51	2,000 00	929 51	Long-Term
GCMAX	GOLDMAN SACHS MID CAP VALUE CLASS A	26 Nov 03	25 Mar 10	179 404	5,592 02	5,000 00	592 02	Long-Term
GALLX	GS FLEXIBLE CAP GROWTH FUND CLASS A	29-Aug-08	25-Mar-10	291 345	3,027 08	3,102 83	(75 75)	Long-Term
GALLX	GS FLEXIBLE CAP GROWTH FUND CLASS A	22 Aug 08	25-Mar 10	4 263 08	44,293 37	45,998 60	(1,705 23)	Long-Term
GALLX	GS FLEXIBLE CAP GROWTH FUND CLASS A	25-Jul 08	25-Mar 10	1,675 48	17,408 24	17,290 95	117 28	Long-Term
GALLX	GS FLEXIBLE CAP GROWTH FUND CLASS A	1 Aug 08	25-Mar 10	3 875 97	40,271 32	40,000 00	271 32	Long Term
MXEA2UP	THE GOLDMAN SACHS GROUP, INC LINKED TO MSCI EAFE 0% COUPON DUE 02/16/2010 STRUCTURED NOTE	1-Aug-08	16-Feb 10	150	142,165 52	150,000 00	(7,834 48)	Long-Term
GCFIX	GOLDMAN SACHS CORE FIXED-INC A MUTUAL FUND CLASS A	19-Dec 02	25-Mar 10	1 731 34	16,447 75	17,642 37	(1,194 62)	Long Term
GCFIX	GOLDMAN SACHS CORE FIXED-INC A MUTUAL FUND CLASS A	20-Dec-02	25-Mar 10	1,426 55	13,552 25	14,536 58	(984 32)	Long-Term
GCFIX	GOLDMAN SACHS CORE FIXED-INC A MUTUAL FUND CLASS A	20-Dec-02	4 Oct-10	3 500	35,000 00	35,665 00	(665 00)	Long-Term
GSHIX	GOLDMAN SACHS HIGH YIELD INSTL MUTUAL FUND CLASS I	27-Jan-03	25-Mar-10	86 811	613 75	596 52	17 24	Long-Term
GSHIX	GOLDMAN SACHS HIGH YIELD INSTL MUTUAL FUND CLASS I	16 Jan 03	25-Mar 10	478 95	3,385 25	3,310 35	75 90	Long Term

TOTAL LONG TERM GAINS/(LOSSES)

449,693 02 445,969 70 3,723 32

TOTAL GAINS/(LOSSES)

665,960 78 661,137 80 4,822 98