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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 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 THE LITMAN FOUNDATION		A Employer identification number 75-2892769
Number and street (or P O box number if mail is not delivered to street address) 3010 LBJ FREEWAY	Room/suite 712	B Telephone number 214-750-9006
City or town, state, and ZIP code DALLAS, TX 75234		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 28,276,533. (Part I, column (d) must be on cash basis.)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		61,903.	61,894.		STATEMENT 1
4 Dividends and interest from securities		633,953.	633,953.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		722,371.			
b Gross sales price for all assets on line 6a 11,907,187.					
7 Capital gain net income (from Part IV, line 2)			722,371.		
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		<70,741.>	<70,741.>		STATEMENT 3
12 Total Add lines 1 through 11		1,347,486.	1,347,477.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 4		4,027.	4,027.		0.
b Accounting fees					
c Other professional fees STMT 5		49,593.	45,422.		4,172.
17 Interest		5,271.	5,271.		0.
18 Taxes STMT 6		16,256.	11,224.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		303.	0.		303.
22 Printing and publications					
23 Other expenses STMT 7		47.	0.		47.
24 Total operating and administrative expenses. Add lines 13 through 23		75,497.	65,944.		4,522.
25 Contributions, gifts, grants paid		1,205,900.			1,205,900.
26 Total expenses and disbursements. Add lines 24 and 25		1,281,397.	65,944.		1,210,422.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		66,089.			
b Net investment income (if negative, enter -0-)			1,281,533.		
c Adjusted net income (if negative, enter -0-)				N/A	

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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		714,416.	1,842,049.	1,842,049.
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	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				
	b	Investments - corporate stock				
	c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other	STMT 8		27,396,681.	26,335,137.	26,434,484.
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)			28,111,097.	28,177,186.	28,276,533.
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 <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31					
	27	Capital stock, trust principal, or current funds			0.	0.
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.
29	Retained earnings, accumulated income, endowment, or other funds			28,111,097.	28,177,186.	
30	Total net assets or fund balances			28,111,097.	28,177,186.	
31	Total liabilities and net assets/fund balances			28,111,097.	28,177,186.	

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	28,111,097.
2	Enter amount from Part I, line 27a	2	66,089.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	28,177,186.
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	28,177,186.

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 STATEMENT D-1	P	VARIOUS	VARIOUS
b SEE STATEMENT D-1	P	VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS	P		
d SEE STATEMENT D-2	P	VARIOUS	VARIOUS
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 1,834,118.		1,792,959.	41,159.
b 9,492,265.		9,134,190.	358,075.
c 177,212.			177,212.
d 403,592.		257,667.	145,925.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			41,159.
b			358,075.
c			177,212.
d			145,925.
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	722,371.
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	1,780,782.	24,449,522.	.072835
2008	2,095,328.	35,825,336.	.058487
2007	1,483,175.	42,993,665.	.034498
2006	1,883,893.	41,210,724.	.045714
2005	1,942,819.	38,451,606.	.050526

2 Total of line 1, column (d)	2	.262060
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	.052412
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	26,318,651.
5 Multiply line 4 by line 3	5	1,379,413.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12,815.
7 Add lines 5 and 6	7	1,392,228.
8 Enter qualifying distributions from Part XII, line 4	8	1,410,422.

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 [X] 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-)
3 Add lines 1 and 2
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-
6 Credits/Payments:
a 2010 estimated tax payments and 2009 overpayment credited to 2010 8,348.
b Exempt foreign organizations - tax withheld at source
c Tax paid with application for extension of time to file (Form 8868) 16,000.
d Backup withholding erroneously withheld
7 Total credits and payments. Add lines 6a through 6d 24,348.
8 Enter any penalty for underpayment of estimated tax. Check here [] if Form 2220 is attached
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid 11,533.
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax 11,533. Refunded

Part VII A Statements Regarding Activities

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? Yes No X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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 Yes No X
c Did the foundation file Form 1120-POL for this year? Yes No 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 Yes No 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 Yes No X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? Yes No X
b If "Yes," has it filed a tax return on Form 990-T for this year? N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T Yes No 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) TX
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation Yes No 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 Yes No X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses Yes No X

Part VII A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of DAVID S. LITMAN Telephone no. 214-239-2666 Located at 3010 LBJ FREEWAY, SUITE 712, DALLAS, TX ZIP+4 75234
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
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

Part VII B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (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.)
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
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?
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? 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.)
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 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.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
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
DAVID S. LITMAN 3010 LBJ FREEWAY, SUITE 712 DALLAS, TX 75234	DIRECTOR 5.00	0.	0.	2,905.
MALIA A. LITMAN 3010 LBJ FREEWAY, SUITE 712 DALLAS, TX 75234	DIRECTOR 5.00	0.	0.	0.
ROBERT B. DIENER 5521 GREENVILLE AVENUE, SUITE 104-540 DALLAS, TX 75206	DIRECTOR 0.00	0.	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
NONE		

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	
3 All other program-related investments. See instructions.	

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	25,398,967.
b	Average of monthly cash balances	1b	1,320,476.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	26,719,443.
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	26,719,443.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	400,792.
5	Net value of noncharitable-use assets . Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,318,651.
6	Minimum investment return . Enter 5% of line 5	6	1,315,933.

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	1,315,933.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	12,815.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	12,815.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,303,118.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,303,118.
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	1,303,118.

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	1,210,422.
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	200,000.
4	Qualifying distributions . Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,410,422.
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	12,815.
6	Adjusted qualifying distributions . Subtract line 5 from line 4	6	1,397,607.

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				1,303,118.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			1,205,170.	
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: ▶ \$ 1,410,422.				
a Applied to 2009, but not more than line 2a			1,205,170.	
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				205,252.
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				1,097,866.
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				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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).)

SEE STATEMENT 10
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:
DAVID & MALIA LITMAN

b The form in which applications should be submitted and information and materials they should include:
NO SPECIFIC FORM

c Any submission deadlines:
NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
NONE

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
VARIOUS CASH CONTRIBUTION - SEE STATEMENT 11	N/A	PUBLIC CHARITIES	VARIOUS	1,205,900.
Total			▶ 3a	1,205,900.
<i>b Approved for future payment</i>				
AUDUBON TEXAS 510 S. CONGRESS AVE, STE 102 AUSTIN, TX 78704	N/A	PUBLIC CHARITIES	CONSERVATION	200,000.
Total			▶ 3b	200,000.

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

SOURCE	AMOUNT
VARIOUS	61,903.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	61,903.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
VARIOUS	633,953.	0.	633,953.
TOTAL TO FM 990-PF, PART I, LN 4	633,953.	0.	633,953.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP INCOME (LOSS)	<71,228.>	<71,228.>	
OTHER INVESTMENT INCOME	487.	487.	
TOTAL TO FORM 990-PF, PART I, LINE 11	<70,741.>	<70,741.>	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	4,027.	4,027.		0.
TO FM 990-PF, PG 1, LN 16A	4,027.	4,027.		0.

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
MANAGEMENT FEES	49,553.	45,382.		4,172.
BANK FEES	40.	40.		0.
TO FORM 990-PF, PG 1, LN 16C	49,593.	45,422.		4,172.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	5,032.	0.		0.
FOREIGN TAX	11,224.	11,224.		0.
TO FORM 990-PF, PG 1, LN 18	16,256.	11,224.		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	47.	0.		47.
TO FORM 990-PF, PG 1, LN 23	47.	0.		47.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MISCELLANEOUS INVESTMENTS	COST	26,335,137.	26,434,484.
TOTAL TO FORM 990-PF, PART II, LINE 13		26,335,137.	26,434,484.

FORM 990-PF

EXPLANATION OF CASH SET-ASIDE
PART XII, LINE 3B

STATEMENT 9

INFORMATION REQUIRED UNDER REG. SECTION 53.4942(A)-3(7)(II):

A) NATURE AND PURPOSE OF PROJECT - CONSTRUCTION OF THE SHELDON AUDUBON LAKE CENTER FOR AUDUBON TEXAS (ORGANIZATION INFORMATION INCLUDED IN PART XV LINE 3B).

B) ALL PAYMENTS INCLUDED IN THE SET-ASIDE WILL BE PAID BY YEAR-END 2015.

C) THE PROJECT WILL NOT BE COMPLETED BY YEAR-END 2010.

D) DISTRIBUTABLE AMOUNTS DETERMINED UNDER SECTION 4942(D) FOR ALL PAST TAX YEARS IN THE START-UP AND FULL PAYMENT PERIODS (2002 IS FIRST YEAR OF START-UP PERIOD):

2001	32,682
2002	309,071
2003	276,271
2004	1,826,356
2005	1,894,467
2006	2,021,231
2007	2,110,778
2008	1,780,345
2009	1,219,024

E) ACTUAL PAYMENTS MADE IN CASH OR ITS EQUIVALENT FOR EXEMPT PURPOSES:

2001	0
2002	58,173
2003	603,232
2004	294,976
2005	1,970,932
2006	1,923,198
2007	1,522,080
2008	2,106,250
2009	1,784,234

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 10

NAME OF MANAGER

DAVID S. LITMAN
MALIA A. LITMAN

THE LITMAN FOUNDATION
2010 FORM 990PF
ID# 75-2892769
PART XV 3a SUPPLEMENTARY INFORMATION

RECIPIENT	ADDRESS	FOUNDATION STATUS OF RECIPIENT	AMOUNT
Alzheimer's Association	4144 N. CENTRAL EXPRESSWAY, STE 750--DALLAS, TX 75204	MEDICAL RESEARCH	100.00
Dallas Foundation	900 JACKSON ST, SUITE 705--DALLAS, TX 75202	MEDICAL RESEARCH	1,203,000.00
Juvenile Diabetes Research Foundation	3333 N. MAYFAIR ROAD, SUITE 107--WAUWATOSA, WI 53222	MEDICAL RESEARCH	1,000.00
March of Dimes	1275 MAMARONECK AVENUE--WHITE PLAINS, NY 10605	MEDICAL RESEARCH	200.00
MS Cure Fund	20 PARK PLAZA--BOSTON, MA 02116	MEDICAL RESEARCH	1,000.00
National Multiple Sclerosis Society	8111 N. STADIUM DR., STE. 100--HOUSTON, TX 77054	MEDICAL RESEARCH	500.00
Salvation Army	P.O. BOX 36006--DALLAS, TX 75235-1006	HUMANITARIAN	100.00
			<u>\$ 1,205,900.00</u>

LITMAN FOUNDATION									
CAPITAL GAINS / LOSSES (NON-JP MORGAN) - 2010									
TAX ID: 75-2892769									
Name	Account	Date Acquired (Mo/Da/Yr)	Date Sold (Mo/Da/Yr)	Gross Sales Price	Cost	Gain or (Loss)			
SHORT TERM									
Fidelity	78760	Various	Various	355,134	357,859	(2,725)			
NATL FINANCIAL SVCS LLC									
Fidelity	80284	Various	Various	216,272	273,621	(57,349)			
NATL FINANCIAL SVCS LLC									
SB-Leuthold	10144	Various	Various	744,444	765,537	(21,093)			
CITIGROUP GLOBAL MKTS INC									
SB-Nonmgd	10992	Various	Various	500,000	378,662	121,338			
CITIGROUP GLOBAL MKTS INC									
SB-Parametric	09138	Various	Various	2,667	2,222	444			
CITIGROUP GLOBAL MKTS INC									
Vanguard	94620	Various	Various	15,603	15,058	544			
THE VANGUARD GROUP									
				1,834,118	1,792,959	41,159			
LONG TERM									
Morgan Stanley		Various	Various	324,176	324,176	0			
MARATHON STRUCTURED FINANCE									
Fidelity	78760	Various	Various	4,670,791	4,348,479	322,313			
NATL FINANCIAL SVCS LLC									
Founding Partners		Various	12/31/10	0	595,574	(595,574)			
FOUNDING PARTNERS STABLE VALUE FUND									
SB-Leuthold	10144	Various	Various	309,353	256,389	52,965			
CITIGROUP GLOBAL MKTS INC									
SB-Non-Mgd	10992	Various	Various	100,000	71,586	28,414			
CITIGROUP GLOBAL MKTS INC									
SB-Parametric	09138	Various	Various	36,417	39,140	(2,724)			
CITIGROUP GLOBAL MKTS INC									
Trapeze	3A2513	Various	Various	22,834	41,912	(19,078)			
TRAPEZE CAPITAL CORP									
Vanguard	94620	Various	Various	3,228,694	2,883,527	345,167			
THE VANGUARD GROUP									
USAA	11790649	Various	Various	800,000	573,408	226,592			
				9,492,265	9,134,190	358,075			

THE LITMAN FOUNDATION
75-2892769

Realized Gains/Losses for Litman Foundation JPM PTP Account (Tortoise)
Form 990PF
2010

Description	Units	Date Acquired	Date Sold	Sales Price	Cost Basis	Cumulative Adjustment to Basis	Gain or (Loss)	Short-term Capital g/l	Long-term Capital g/l
Boardwalk Pipeline	1085	Various	Various	31,220.80	23,033.76	(1,806.00)	9,993.04	9,993.04	
Duncan Energy	1125	Various	Various	32,983.10	18,999.83	(1,640.00)	15,623.27	15,623.27	
El Paso Pipeline	580	Various	Various	13,912.51	10,905.35	(1,017.00)	4,024.16	4,024.16	
Enbridge Energy	420	Various	Various	28,963.03	19,941.63	(2,993.00)	12,014.40	12,014.40	
Energy Trans Ptrs	170	Various	Various	7,557.95	6,794.53	(849.00)	1,612.42	1,612.42	
Holly Energy	195	Various	Various	10,032.11	5,546.62	(1,326.00)	5,811.49	5,811.49	
Inergy	940	Various	Various	35,220.79	21,795.00	(3,823.00)	17,248.79	17,248.79	
Kinder Morgan Mgt LLC	1780	Various	Various	106,809.05	73,081.08		33,727.97	33,727.97	
Markwest Energy Ptrs LP	105	Various	Various	4,373.92	1,569.77	(410.00)	3,214.15	3,214.15	
Oneck Ptrs	235	Various	Various	14,827.11	11,198.95	(2,526.00)	6,154.16	6,154.16	
Plains All American	795	Various	Various	44,434.08	33,214.08		11,220.00	11,220.00	
Spectra Energy	1045	Various	Various	32,475.01	23,621.01	(2,465.00)	11,319.00	11,319.00	
Sunoco Logistics	190	Various	Various	12,207.23	10,020.89	(1,424.00)	3,610.35	3,610.35	
TC Pipelines	415	Various	Various	19,909.20	15,764.99	(2,262.00)	6,406.21	6,406.21	
Western Gas	365	Various	Various	8,656.34	5,505.79	(785.00)	3,935.55	3,935.55	
Williams Ptrs		Various	Various	9.44			9.44	9.44	
Total				403,591.67	280,993.27	(23,326.00)	145,924.40	145,924.40	-