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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

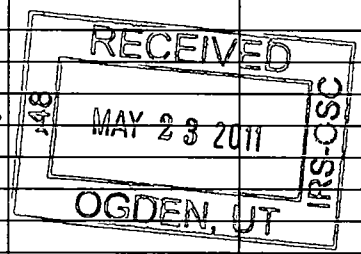
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

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 PIERCE RUNNELLS FOUNDATION C/O CLIVE RUNNELLS		A Employer identification number 76-0512606
Number and street (or P O box number if mail is not delivered to street address) 3900 ESSEX LANE	Room/suite 1100	B Telephone number 713-627-2390
City or town, state, and ZIP code HOUSTON, TX 77027		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) \$ 2,720,404. (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"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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))				
Revenue				
1 Contributions, gifts, grants, etc., received	9,532.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	74,251.	63,604.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	76,016.			
b Gross sales price for all assets on line 6a 1,178,777.				
7 Capital gain net income (from Part IV, line 2)		76,016.		
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	2,452.	2,452.		STATEMENT 2
12 Total. Add lines 1 through 11	162,251.	142,072.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 3	8,600.	6,450.		2,150.
c Other professional fees				
17 Interest				
18 Taxes STMT 4	1,943.	935.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses STMT 5	6,678.	6,376.		0.
24 Total operating and administrative expenses. Add lines 13 through 23	17,221.	13,761.		2,150.
25 Contributions, gifts, grants paid	730,500.			730,500.
26 Total expenses and disbursements. Add lines 24 and 25	747,721.	13,761.		732,650.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<585,470.>			
b Net investment income (if negative, enter -0-)		128,311.		
c Adjusted net income (if negative, enter -0-)			N/A	



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18

PIERCE RUNNELLS FOUNDATION

Form 990-PF (2010)

C/O CLIVE RUNNELLS

76-0512606

Page 2

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	16,750.	19,406.	19,406.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ 1,416.			
	Less: allowance for doubtful accounts ▶		1,416.	1,416.
	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 STMT 6	2,736,667.	2,147,125.	2,689,582.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 7	30,000.	30,000.	10,000.	
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	2,783,417.	2,197,947.	2,720,404.	
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"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	2,783,417.	2,197,947.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	2,783,417.	2,197,947.		
31 Total liabilities and net assets/fund balances	2,783,417.	2,197,947.		

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	2,783,417.
2 Enter amount from Part I, line 27a	2	<585,470.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,197,947.
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	2,197,947.

PIERCE RUNNELLS FOUNDATION

Form 990-PF (2010)

C/O CLIVE RUNNELLS

76-0512606

Page 3

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 A - SHORT TERM	P		
b SEE STATEMENT A - LONG TERM	P		
c ROYALTY INTERESTS	P		
d .0000 MFC SPDR GOLD TR	P		
e CAPITAL GAINS DIVIDENDS			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 308,647.		308,640.	7.
b 851,729.		784,474.	67,255.
c 10,528.		9,532.	996.
d 115.		115.	0.
e 7,758.			7,758.

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			7.
b			67,255.
c			996.
d			0.
e			7,758.

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	76,016.
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	68,715.	2,617,271.	.026254
2008	52,850.	1,263,064.	.041843
2007	47,000.	1,048,266.	.044836
2006	42,500.	954,171.	.044541
2005	45,200.	938,322.	.048171

2 Total of line 1, column (d)	2	.205645
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	.041129
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	2,875,092.
5 Multiply line 4 by line 3	5	118,250.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,283.
7 Add lines 5 and 6	7	119,533.
8 Enter qualifying distributions from Part XII, line 4	8	732,650.

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.

PIERCE RUNNELLS FOUNDATION

Form 990-PF (2010)

C/O CLIVE RUNNELLS

76-0512606

Page 4

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,283.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3 Add lines 1 and 2	3	1,283.
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	1,283.
6 Credits/Payments:		
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,000.
b Exempt foreign organizations - tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	1,000.
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	283.
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 <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	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 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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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		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?	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.		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 instructions) <input checked="" type="checkbox"/> TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? 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 instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>BEVERLY BARNETT</u> Telephone no. ► <u>713-627-2390</u> Located at ► <u>3900 ESSEX LANE, SUITE 1100, HOUSTON, TX</u> ZIP+4 ► <u>77027</u>			
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 ► <u>15</u> <u>N/A</u>			
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 X

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 instructions.) <u>N/A</u>	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input 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	X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

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

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

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

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

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

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

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

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

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		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	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities	1a	2,896,167.
b	Average of monthly cash balances	1b	12,708.
c	Fair market value of all other assets	1c	10,000.
d	Total (add lines 1a, b, and c)	1d	2,918,875.
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	2,918,875.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	43,783.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,875,092.
6	Minimum investment return. Enter 5% of line 5	6	143,755.

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	143,755.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,283.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,283.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	142,472.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	142,472.
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	142,472.

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	732,650.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	732,650.
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	1,283.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	731,367.

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				142,472.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			121,966.	
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: ▶ \$ 732,650.				
a Applied to 2009, but not more than line 2a			121,966.	
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				142,472.
e Remaining amount distributed out of corpus	468,212.			
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	468,212.			
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				0.
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	468,212.			
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	468,212.			

PIERCE RUNNELLS FOUNDATION

Form 990-PF (2010)

C/O CLIVE RUNNELLS

76-0512606

Page 10

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)

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

CLIVE RUNNELLS, 713-627-2390
3900 ESSEX LANE, SUITE 1100, HOUSTON, TX 77027

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

NO SPECIFIC FORM OR REQUIRED INFORMATION AND/OR DATA

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:

THE FOUNDATION DOES NOT MAKE GRANTS, LOANS, OR SCHOLARSHIPS TO INDIVIDUALS

PIERCE RUNNELLS FOUNDATION

Form 990-PF (2010)

C/O CLIVE RUNNELLS

76-0512606 Page 11

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)					
a Paid during the year SEE STATEMENT B			PUBLIC	GENERAL FUND	
Total				▶ 3a	730,500.
b Approved for future payment NONE					
Total				▶ 3b	0.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No 1545-0047

2010

Name of the organization

PIERCE RUNNELLS FOUNDATION
C/O CLIVE RUNNELLS

Employer identification number

76-0512606

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

-
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)**LHA** For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

**PIERCE RUNNELLS FOUNDATION
C/O CLIVE RUNNELLS**

Employer identification number

76-0512606

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<p>THOMAS PIERCE RUNNELLS ESTATE</p> <p>3900 ESSEX LANE, STE. 1100</p> <p>HOUSTON, TX 77027</p>	\$ 9,532.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization PIERCE RUNNELLS FOUNDATION C/O CLIVE RUNNELLS	Employer identification number 76-0512606
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Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	0.0109375% ROYALTY INTEREST; TRACT #1 MATAGORDA 0.108125% ROYALTY INTEREST; TRACT #13 BRAZORIA	\$ 9,532.	01/01/10
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization

Employer identification number

**PIERCE RUNNELLS FOUNDATION
C/O CLIVE RUNNELLS**

76-0512606

Part III

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once. See instructions) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
SECURITIES MANAGEMENT FEES	6,678.	6,376.			0.
TO FORM 990-PF, PG 1, LN 23	6,678.	6,376.			0.

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
STOCK PORTFOLIO	2,090,617.	2,633,072.		
NORTHERN TRUST MONEY MARKET	56,508.	56,510.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,147,125.	2,689,582.		

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
STUDIO 4 NETWORKS	COST	30,000.	10,000.	
TOTAL TO FORM 990-PF, PART II, LINE 13		30,000.	10,000.	

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CLIVE RUNNELLS 3900 ESSEX LANE, SUITE 1100 HOUSTON, TX 77027	PRESIDENT & DIRECTOR 1.00	0.	0.	0.
COLIN PHILLIPS 5900 WILSHIRE, SUITE 409 LOS ANGELES, CA 90036	VICE PRESIDENT & DIRECTOR 0.25	0.	0.	0.
KATE THOMPSON 2599 QUARRY ROAD, #B AUSTIN, TX 78703	SECRETARY & DIRECTOR 0.25	0.	0.	0.
JEFF FIRESTONE 3810 OVERBROOK HOUSTON, TX 77027	TREASURER & DIRECTOR 0.25	0.	0.	0.
NANCY M. RUNNELLS 3900 ESSEX LANE, SUITE 1100 HOUSTON, TX 77027	SR. ASST. SECRETARY & DIRE 0.25	0.	0.	0.
PATTI YOUNG 3900 ESSEX LANE, SUITE 1100 HOUSTON, TX 77027	ASSISTANT SECRETARY 2.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

PIERCE RUNNELLS FOUNDATION											
NORTHERN TRUST											
GAINS/(LOSSES) - STOCK (COST AND PRICE ARE NET OF COMMISSION)											
TRADE DATE RECEIVED	DONOR DONOR	SHARES HELD	HELD BY	SECURITY	BASIS REDUC EXER PUT PREM REC'D	PRICE PER SHARE	DONOR BASIS OR COST	TRADE DATE	SALE PROCEEDS	EXER CALL PREM REC'D	GAIN/(LOSS)
08/02/06	TPR EST	15.00	NT	APPLE INCORPORATED		135.01	\$2,025.15	01/29/10	\$3,148.84		\$1,123.69
05/28/09	N/A	45.00	NT	APPLE INCORPORATED		132.84	\$5,977.62	01/29/10	\$9,446.51		\$3,468.89
11/23/04	N/A	65.00	NT	APPLE INCORPORATED		30.82	\$2,003.10	01/29/10	\$13,644.95		\$11,641.85
12/18/07	N/A	20.00	NT	AIR PRODUCTS AND CHEMICALS, INC.		102.52	\$2,050.37	01/29/10	\$1,610.18		(\$40.19)
12/13/07	TPR EST	15.00	NT	AIR PRODUCTS AND CHEMICALS, INC.		102.52	\$1,537.78	01/29/10	\$1,207.63		(\$330.15)
06/13/08	TPR EST	10.00	NT	IBM		126.00	\$1,260.02	01/29/10	\$1,265.48		\$5.46
12/30/05	N/A	125.00	NT	ITT INDS INC		51.52	\$6,440.45	01/15/10	\$6,235.83		(\$204.61)
08/02/06	TPR EST	120.00	NT	ITT INDS INC		66.69	\$9,002.80	01/15/10	\$5,986.40		(\$2,016.40)
01/31/08	TPR EST	90.00	NT	JPMORGAN CHASE & CO		47.37	\$4,263.33	01/15/10	\$3,914.65		(\$348.68)
04/03/08	TPR EST	160.00	NT	JPMORGAN CHASE & CO		46.25	\$7,400.48	01/15/10	\$6,959.39		(\$441.09)
01/27/09	N/A	125.00	NT	KOHL'S CORP COMMON STOCK		37.57	\$4,696.53	01/15/10	\$6,432.01		\$1,735.48
12/13/07	TPR EST	70.00	NT	MICROSOFT		35.34	\$2,473.58	01/29/10	\$2,071.98		(\$401.60)
01/21/04	TPR EST	75.00	NT	MICROSOFT		28.91	\$2,168.25	01/29/10	\$2,219.97		\$51.72
12/15/09	N/A	135.00	NT	UNITEDHEALTH GROUP INC COM		31.22	\$4,215.08	01/29/10	\$4,406.34		\$191.26
08/02/06	TPR EST	170.00	NT	WALGREEN CO COMMON STOCK		45.08	\$7,663.60	01/29/10	\$6,142.02		(\$1,521.58)
09/04/08	TPR EST	145.00	NT	WAL-MART STORES		60.52	\$8,775.42	02/04/10	\$7,746.42		(\$1,029.00)
05/15/08	N/A	195.00	NT	SCHWAB CHARLES CORP		22.48	\$4,383.34	02/04/10	\$3,473.67		(\$909.67)
01/29/10	N/A	10.00	NT	MEDCO HEALTH SOLUTIONS INC		62.81	\$628.10	02/04/10	\$617.13		(\$10.97)
08/02/06	TPR EST	105.00	NT	MEDCO HEALTH SOLUTIONS INC		43.49	\$4,565.93	02/04/10	\$6,479.89		\$1,913.96
01/29/10	N/A	20.00	NT	GOLDMAN SACHS GROUP INC		152.84	\$3,056.71	02/04/10	\$3,043.70		(\$13.01)
04/02/09	N/A	30.00	NT	GOLDMAN SACHS GROUP INC		114.09	\$4,422.75	02/04/10	\$4,565.56		\$1,142.81
08/30/07	N/A	75.00	NT	AIR PRODUCTS AND CHEMICALS, INC.		86.35	\$6,625.89	3/2/2010	\$5,246.51		(\$1,379.38)
08/30/07	TPR EST	70.00	NT	AIR PRODUCTS AND CHEMICALS, INC.		91.84	\$6,428.80	3/2/2010	\$4,896.75		(\$1,532.06)
12/13/07	TPR EST	35.00	NT	AIR PRODUCTS AND CHEMICALS, INC.		102.52	\$3,588.16	3/2/2010	\$2,448.37		(\$1,139.79)
04/02/09	N/A	25.00	NT	GOLDMAN SACHS GROUP INC		114.09	\$2,852.29	03/05/10	\$4,159.42		\$1,307.13
06/13/08	TPR EST	30.00	NT	IBM		126.00	\$3,780.05	03/05/10	\$3,816.96		\$36.91
02/15/08	N/A	75.00	NT	SIGMA-ALDRICH CORP		52.37	\$3,927.88	03/23/10	\$4,046.03		\$118.15
01/29/10	N/A	56.00	NT	SIGMA-ALDRICH CORP		49.12	\$2,750.61	03/23/10	\$3,021.04		\$270.43
01/29/10	N/A	34.00	NT	SIGMA-ALDRICH CORP		49.12	\$1,670.01	03/24/10	\$1,826.38		\$156.37
07/28/08	N/A	45.00	NT	F P L GROUP INC COMMON STK		63.88	\$2,874.79	03/30/10	\$2,151.52		(\$723.27)
07/28/08	TPR EST	100.00	NT	F P L GROUP INC COMMON S		63.88	\$5,388.42	03/30/10	\$4,781.14		(\$607.28)
01/29/10	N/A	60.00	NT	F P L GROUP INC COMMON STK		49.36	\$2,961.74	03/30/10	\$2,868.69		(\$93.05)
05/28/09	N/A	125.00	NT	MOSIAC CO		54.48	\$6,809.62	04/26/10	\$6,616.94		(\$192.68)
01/29/10	N/A	15.00	NT	MOSIAC CO		59.69	\$895.29	04/26/10	\$794.03		(\$101.26)
03/02/10	N/A	105.00	NT	MOSIAC CO		61.71	\$6,479.62	04/26/10	\$5,558.23		(\$921.39)
09/08/09	N/A	200.00	NT	QUALCOMM INC		45.53	\$9,105.66	04/26/10	\$7,638.11		(\$1,467.55)
01/29/10	N/A	40.00	NT	QUALCOMM INC		47.20	\$1,887.96	04/26/10	\$1,527.62		(\$360.34)
04/28/08	N/A & TPR EST	210.00	NT	US BANKCORP		34.96	\$7,342.02	04/09/10	\$5,681.51		(\$1,660.51)
09/04/08	N/A	100.00	NT	WAL-MART STORES		60.52	\$6,052.01	04/09/10	\$5,520.91		(\$531.10)
02/10/09	N/A	120.00	NT	ADR TEVA PHARMACEUTICAL INDS		42.62	\$5,114.06	05/10/10	\$7,122.06		\$2,008.00
01/14/09	N/A	5.00	NT	ADR TEVA PHARMACEUTICAL INDS		42.58	\$212.91	05/10/10	\$296.75		\$83.84
10/22/09	N/A	295.00	NT	ADR ABB LTD SPONSORED ADR		21.31	\$6,287.87	05/05/10	\$5,380.20		(\$907.67)
01/29/10	N/A	120.00	NT	ADR ABB LTD SPONSORED ADR		18.75	\$2,249.84	05/05/10	\$2,188.56		(\$61.28)
08/02/06	TPR EST	120.00	NT	HEWLETT PACKARD CO		50.19	\$6,022.40	05/10/10	\$5,904.61		(\$118.19)
03/16/09	N/A	60.00	NT	GOLDMAN SACHS GROUP INC		98.04	\$5,882.40	05/13/10	\$8,925.38		\$3,042.98
04/02/09	N/A	5.00	NT	GOLDMAN SACHS GROUP INC		114.09	\$70.46	05/13/10	\$743.78		\$173.32
02/22/06	N/A	52.00	NT	TRANSOCEAN LTD SWITZERLAND		79.05	\$4,110.60	05/03/10	\$3,639.89		(\$470.71)
02/03/06	TPR EST	38.00	NT	TRANSOCEAN LTD SWITZERLAND		107.39	\$4,080.82	05/03/10	\$2,659.92		(\$1,420.90)

DECEMBER 2010	TRADE DATE	DONOR	SHARES HELD	HELD BY	SECURITY	BASIS REDUC EXER PUT PREM REC'D	PRICE PER SHARE	DONOR BASIS OR COST	TRADE DATE	SALE PROCEEDS	EXER CALL PREM REC'D	GAIN/ (LOSS)
	08/02/06	TPR EST	65.00	NT	ABBOTT LABORATORIES		52.90	\$3,438.50	06/02/10	\$1,040.85		(\$397.65)
	10/10/06	TPR EST	95.00	NT	ADOBES SYS INC		43.72	\$4,153.40	06/11/10	\$2,986.42		(\$1,166.98)
	01/04/08	TPR EST	25.00	NT	ADOBES SYS INC		40.44	\$1,010.89	06/11/10	\$785.90		(\$224.99)
	03/02/10	N/A	55.00	NT	ADR BHP BILLITON LTD SPONSORED ADR		75.59	\$4,157.69	06/02/10	\$3,505.68		(\$652.01)
	08/17/09	N/A	180.00	NT	CVS CAREMARK CORP COM STK		34.20	\$6,155.69	06/11/10	\$5,669.63		(\$486.06)
	11/16/06	TPR EST	60.00	NT	KELLOGG CO		55.08	\$3,304.80	06/11/10	\$3,216.38		(\$88.42)
	01/21/04	TPR EST	140.00	NT	MICROSOFT		28.91	\$4,047.40	06/11/10	\$3,555.80		(\$491.60)
	11/23/04	N/A	35.00	NT	APPLE INCORPORATED		30.82	\$1,078.59	07/20/10	\$8,709.58		\$7,630.99
	07/08/10	N/A	79.00	NT	FRONTIER COMMUNICATIONS CORP		9.19	\$726.06	07/12/10	\$567.21		(\$158.85)
	07/08/10	N/A	0 21	NT	FRONTIER COMMUNICATIONS CORP		11.05	\$232.32	07/12/10	\$1.51		(\$0.81)
	12/30/05	N/A	175.00	NT	VERIZON COMMUNICATIONS COM		29.91	\$5,234.67	07/15/10	\$4,674.99		(\$559.68)
	02/16/06	N/A	40.00	NT	VERIZON COMMUNICATIONS COM		30.94	\$1,237.68	07/15/10	\$1,068.57		(\$169.11)
	04/10/07	N/A	20.00	NT	VERIZON COMMUNICATIONS COM		37.99	\$759.73	07/15/10	\$534.29		(\$225.44)
	04/10/07	TPR EST	95.00	NT	VERIZON COMMUNICATIONS COM		34.41	\$3,268.70	07/15/10	\$2,537.85		(\$730.85)
	08/02/06	TPR EST	70.00	NT	JOHNSON & JOHNSON		61.66	\$4,316.20	07/22/10	\$4,008.27		(\$307.93)
	12/30/05	N/A	50.00	NT	JOHNSON & JOHNSON		60.19	\$3,009.50	07/22/10	\$2,863.05		(\$146.45)
	01/15/10	N/A	125.00	NT	JOHNSON CONTROLS INC		29.72	\$3,714.96	07/22/10	\$3,717.52		\$2.56
	09/10/09	N/A	165.00	NT	JOHNSON CONTROLS INC		26.62	\$4,392.93	08/20/10	\$4,907.13		\$514.20
	08/02/06	TPR EST	20.00	NT	ABBOTT LABORATORIES		52.90	\$1,058.00	08/20/10	\$1,006.78		(\$51.22)
	03/02/10	N/A	20.00	NT	ADR BHP BILLITON LTD SPONSORED ADR		75.59	\$1,511.89	08/20/10	\$1,405.38		(\$106.51)
	01/04/08	TPR EST	40.00	NT	ADOBES SYS INC		40.44	\$1,617.43	08/20/10	\$1,106.78		(\$510.65)
	02/04/10	N/A	30.00	NT	ADR NOVARTIS AG		54.23	\$1,626.79	08/20/10	\$1,517.37		(\$109.42)
	01/14/09	N/A	25.00	NT	ADR TEVA PHARMACEUTICAL INDS		42.58	\$1,064.57	08/20/10	\$1,251.48		\$186.91
	03/23/09	N/A	45.00	NT	ALTEGRA CORP		17.69	\$795.96	08/20/10	\$1,141.63		\$345.67
	04/16/09	N/A	15.00	NT	AMAZON COM INC		76.21	\$1,143.10	08/20/10	\$1,917.42		\$774.32
	04/26/10	N/A	40.00	NT	AMERICAN EXPRESS		47.47	\$1,898.72	08/20/10	\$1,659.97		(\$238.75)
	11/23/04	N/A	15.00	NT	APPLE INCORPORATED		30.82	\$462.25	08/20/10	\$3,767.94		\$3,305.69
	04/09/10	N/A	110.00	NT	BANK OF AMERICA		18.84	\$2,072.40	08/20/10	\$1,447.03		(\$625.37)
	07/20/10	N/A	15.00	NT	BERKSHIRE HATHAWAY INC		78.98	\$1,184.65	08/20/10	\$1,161.28		(\$23.37)
	01/16/07	TPR EST	20.00	NT	CHEVRON CORP		88.93	\$1,778.60	08/20/10	\$1,543.77		(\$234.83)
	01/29/10	N/A	15.00	NT	CHEVRON CORP		74.64	\$1,119.53	08/20/10	\$1,157.83		\$38.30
	08/02/06	TPR EST	120.00	NT	CISCO SYSTEMS		31.84	\$3,820.80	08/20/10	\$2,639.96		(\$1,180.84)
	07/22/10	N/A	25.00	NT	CITRIX SYS INC		46.53	\$1,163.22	08/20/10	\$1,456.48		\$293.26
	02/04/10	N/A	10.00	NT	COLGATE-PALMOLIVE CO		80.14	\$801.45	08/20/10	\$760.69		(\$40.76)
	1/17/08	N/A	20.00	NT	COSTCO WHOLESAL CORP		64.94	\$1,298.85	08/20/10	\$1,115.58		(\$183.27)
	09/30/08	N/A	40.00	NT	COVIDIEN PLC		53.28	\$2,131.04	08/20/10	\$1,535.57		(\$595.47)
	01/29/10	N/A	45.00	NT	CUMMINS INC		47.72	\$2,147.40	08/20/10	\$3,591.39		\$1,443.99
	08/02/06	PR EST	70.00	NT	DANAHER CORP		38.98	\$2,728.25	08/20/10	\$2,623.56		(\$104.69)
	04/26/10	N/A	50.00	NT	DU POINT E I DE NEMOURS & CO		40.67	\$2,033.31	08/20/10	\$2,058.97		\$25.66
	07/15/10	N/A	115.00	NT	EMC CORP		20.47	\$2,354.21	08/20/10	\$2,155.06		(\$199.15)
	01/16/07	TPR EST	45.00	NT	EMERSON ELECTRIC CO		48.65	\$2,199.25	08/20/10	\$2,189.21		(\$10.04)
	08/02/06	TPR EST	55.00	NT	EXXON MOBIL CORP		87.49	\$4,811.95	08/20/10	\$3,314.79		(\$1,497.16)
	12/08/09	N/A	25.00	NT	FEDEX CORP		89.96	\$2,248.88	08/20/10	\$2,074.96		(\$173.92)
	01/15/10	N/A	15.00	NT	FRANKLIN RESERVE		110.47	\$1,657.09	08/20/10	\$1,515.42		(\$141.67)
	08/02/06	TPR EST	175.00	NT	GENERAL ELEC CO COM		39.40	\$6,895.00	08/20/10	\$2,717.70		(\$4,177.30)
	05/28/09	N/A	5.00	NT	GOOGLE		406.24	\$2,031.22	08/20/10	\$2,436.76		\$405.54
	08/02/06	TPR EST	10.00	NT	HEWLETT PACKARD CO		50.19	\$801.90	08/20/10	\$407.99		(\$393.91)
	01/14/09	N/A	30.00	NT	HEWLETT PACKARD CO		35.31	\$1,059.33	08/20/10	\$1,223.98		\$164.65
	06/13/08	TPR EST	10.00	NT	IBM		126.00	\$1,260.02	08/20/10	\$1,280.88		\$20.86
	04/25/08	TPR EST	10.00	NT	IBM		122.76	\$1,227.60	08/20/10	\$1,280.88		\$53.28

DECEMBER 2010		DONOR		RECEIVED		TRADE DATE		DONOR		EXERCISE		CALL	
DATE	RECEIVED	SHARES HELD	HELD BY	SECURITY	BASIS REDUC EXER PUT PREM REC'D	PRICE PER SHARE	DONOR BASIS OR COST	TRADE DATE	SALE PROCEEDS	SALE PREM REC'D	GAIN/ (LOSS)		
12/30/05	N/A	15.00	NT	JOHNSON & JOHNSON		60.19	\$902.85	08/20/10	\$878.54		(\$24.31)		
09/10/09	N/A	55.00	NT	JOHNSON CONTROLS INC		26.62	\$1,464.31	08/20/10	\$1,564.17		\$99.86		
04/03/08	TPR EST	60.00	NT	JPMORGAN CHASE & CO		46.25	\$2,775.18	08/20/10	\$2,246.96		(\$528.22)		
11/16/06	TPR EST	30.00	NT	KELLOGG CO		55.08	\$1,652.40	08/20/10	\$1,527.57		(\$124.83)		
11/21/06	TPR EST	65.00	NT	KELLOGG CO		49.97	\$3,580.20	08/23/10	\$3,308.71		(\$271.49)		
04/26/10	N/A	19.00	NT	KELLOGG CO		49.97	\$949.37	08/23/10	\$967.16		\$17.79		
01/29/10	N/A	30.00	NT	MCKESSON CORP		62.42	\$1,872.60	08/20/10	\$1,833.27		(\$39.33)		
08/02/06	TPR EST	30.00	NT	MEDCO HEALTH SOLUTIONS INC		43.49	\$1,304.55	08/20/10	\$1,376.38		\$71.83		
01/21/04	TPR EST	70.00	NT	MICROSOFT CORP		28.91	\$2,023.70	08/20/10	\$1,728.97		(\$294.73)		
03/02/07	TPR EST	30.00	NT	NATIONAL OILWELL VARCO		67.07	\$2,011.95	08/20/10	\$1,200.28		(\$811.67)		
03/30/10	N/A	30.00	NT	NIKE INC CL B		74.03	\$2,220.79	08/20/10	\$2,156.36		(\$64.43)		
04/16/09	N/A	15.00	NT	MOBILE ENERGY INC		59.28	\$899.13	08/20/10	\$1,022.53		\$133.40		
08/02/06	TPR EST	40.00	NT	PEPSICO INC		68.56	\$2,742.40	08/20/10	\$2,609.16		(\$133.24)		
05/31/07	TPR EST	40.00	NT	PG&E CORP		44.50	\$1,780.00	08/20/10	\$1,833.57		\$53.57		
05/10/10	N/A	45.00	NT	PRINCIPAL FINL GROUP INC		29.96	\$1,348.23	08/20/10	\$1,034.08		(\$314.15)		
08/02/06	TPR EST	5.00	NT	PROCTOR & GAMBLE CO		66.11	\$330.55	08/20/10	\$300.75		(\$29.80)		
04/09/10	N/A	35.00	NT	PROCTOR & GAMBLE CO		62.63	\$2,192.05	08/20/10	\$2,105.21		(\$86.84)		
07/20/10	N/A	15.00	NT	SALESFORCE COM INC		95.25	\$1,428.73	08/20/10	\$1,465.03		\$36.30		
05/15/08	TPR EST	65.00	NT	SCHWAB CHARLES CORP		22.48	\$1,461.12	08/20/10	\$924.28		(\$536.84)		
07/23/10	N/A	10.00	NT	SIMON PROPERTY GROUP INC		85.99	\$859.86	08/20/10	\$904.98		\$45.12		
08/15/08	N/A	35.00	NT	SPECTRA ENERGY CORP		25.99	\$909.68	08/20/10	\$743.57		(\$166.11)		
08/15/08	TPR EST	60.00	NT	SPECTRA ENERGY CORP		25.99	\$1,559.46	08/20/10	\$1,274.68		(\$284.78)		
07/11/07	TPR EST	45.00	NT	SUNCOR ENERGY INC NEW COM COM STK		46.31	\$2,083.95	08/20/10	\$1,442.22		(\$641.73)		
07/11/07	N/A	5.00	NT	SUNCOR ENERGY INC NEW COM COM STK		45.80	\$228.99	08/20/10	\$160.25		(\$68.74)		
06/11/10	N/A	45.00	NT	SYSCO CORP		30.77	\$1,984.61	08/20/10	\$1,306.78		(\$677.83)		
04/28/08	N/A & TPR EST	40.00	NT	TJX COS INC		32.84	\$1,313.82	08/20/10	\$1,687.17		\$373.65		
11/11/09	N/A	40.00	NT	TRAVELERS COS INC		54.42	\$2,176.90	08/20/10	\$1,993.57		(\$183.33)		
02/04/10	N/A	65.00	NT	UNITED HEALTH GROUP INC COM		32.73	\$2,127.44	08/20/10	\$2,080.61		(\$46.83)		
08/02/06	TPR EST	20.00	NT	UNITED TECHNOLOGIES CORP		75.01	\$1,500.20	08/20/10	\$1,400.18		(\$100.02)		
04/28/08	N/A & TPR EST	45.00	NT	US BANKCORP		34.96	\$1,573.29	08/20/10	\$993.58		(\$579.71)		
10/06/08	N/A	25.00	NT	WAL-MART STORES		57.08	\$1,426.98	08/20/10	\$1,282.48		(\$144.50)		
03/30/10	N/A	70.00	NT	WALT DISNEY CO		35.01	\$2,450.58	08/20/10	\$2,354.76		(\$95.82)		
10/06/08	N/A	80.00	NT	WELLS FARGO & CO		33.47	\$2,677.63	08/20/10	\$2,019.97		(\$657.66)		
06/02/10	N/A	25.00	NT	WHOLE FOODS MKT		39.93	\$998.36	08/20/10	\$912.48		(\$85.88)		
11/21/06	N/A	52.00	NT	KELLOGG CO		49.97	\$2,598.28	08/24/10	\$2,592.74		(\$5.54)		
11/21/06	N/A	54.00	NT	KELLOGG CO		49.97	\$2,698.22	08/25/10	\$2,681.00		(\$17.22)		
01/29/10	N/A	15.00	NT	CUMMINS INC		47.72	\$715.80	09/09/10	\$1,225.31		\$509.51		
09/08/09	N/A	2.00	NT	CUMMINS INC		45.00	\$89.99	09/09/10	\$163.38		\$73.39		
09/08/09	N/A	26.00	NT	CUMMINS INC		44.99	\$1,169.87	09/10/10	\$2,135.04		\$965.18		
09/08/09	N/A	47.00	NT	CUMMINS INC		44.99	\$2,114.76	09/13/10	\$3,959.07		\$1,844.31		
05/31/07	N/A	20.00	NT	PG&E CORP		49.58	\$991.59	09/16/10	\$874.77		(\$116.82)		
10/06/08	N/A	90.00	NT	PG&E CORP		36.18	\$3,255.81	09/16/10	\$3,936.45		\$680.64		
05/31/07	TPR EST	80.00	NT	PG&E CORP		44.50	\$3,560.00	09/16/10	\$3,499.06		(\$60.94)		
01/29/10	N/A	55.00	NT	PG&E CORP		44.25	\$2,433.75	09/16/10	\$2,405.60		(\$28.15)		

DECEMBER 2010	TRADE DATE	DONOR RECEIVED	SHARES HELD	HELD BY	SECURITY	BASIS REDUC EXER PUT PREM REC'D	PRICE PER SHARE	DONOR BASIS OR COST	SALE TRADE DATE	SALE PROCEEDS	EXER CALL PREM REC'D	GAIN/ (LOSS)
NORTHERN TRUST (GAINS/LOSSES) - FUNDS (COST AND PRICE ARE NET OF COMMISSION)												
DECEMBER 2010	08/29/08	TPR EST	31,114.83	NT	MFO VANGUARD FXD INC SECS - HI YLD BD (VWERTX)		5.46	\$169,887.00	01/26/10	\$170,820.44		\$933.44
	07/06/10	N/A	3,014.79	NT	MFB NORTHERN FDS BD INDEX FD (NOBOX)		10.68	\$32,198.00	08/05/10	\$31,348.69		\$150.69
	12/09/09	N/A	4,404.13	NT	MFB NORTHERN FDS BD INDEX FD (NOBOX)		10.48	\$46,155.25	08/05/10	\$47,256.31		\$1,101.06
	12/23/08	N/A	17,720.07	NT	MFB NORTHERN FDS LGE CAP VAL FD (NOLVX)		6.85	\$121,382.48	08/05/10	\$157,177.00		\$35,794.52
	12/21/09	N/A	130.64	NT	MFB NORTHERN FDS MULTI-MGR GLBL RE		16.25	\$2,123.02	08/05/10	\$2,292.76		\$169.74
	12/09/08	N/A	216.08	NT	MFB NORTHERN FDS MULTI-MGR GLBL RE		11.73	\$2,534.83	08/05/10	\$3,792.24		\$1,257.41
	01/27/10	N/A	20.00	NT	MFC SPDR GOLD TR GOLD SHS		106.95	\$2,139.00	08/04/10	\$2,337.16		\$198.16
	12/09/09	N/A	109.73	NT	MFO PIMCO FDS PAQ INVT MGMT SER (PCRUX)		8.06	\$884.46	08/05/10	\$992.10		\$76.64
	12/11/08	N/A	552.39	NT	MFO PIMCO FDS PAQ INVT MGMT SER (PCRUX)		6.09	\$3,364.05	08/05/10	\$4,490.90		\$1,126.85
	12/23/08	N/A	5,442.51	NT	MFB NORTHERN FDS LARGE CAP VAL (NOLVX)		6.85	\$37,281.19	08/18/10	\$46,860.00		\$9,578.81
	12/09/08	N/A	666.82	NT	MFB NORTHERN FDS MULTI-MGR GLBL RE (N)		11.73	\$7,845.92	08/18/10	\$11,477.00		\$3,631.08
	02/12/09	N/A	2,457.09	NT	MFB NORTHERN FDS MULTI-MGR INTL EQTY (NMMS)		6.43	\$15,799.09	08/18/10	\$21,475.00		\$5,675.91
	12/23/08	N/A	1,550.49	NT	MFB NORTHERN FDS MULTI-MGR SMALL CAP (NMMS)		5.94	\$9,209.91	08/18/10	\$14,590.00		\$3,380.09
	09/29/09	N/A	6,153.25	NT	MFB NORTHERN FDS INTER US GOV'T (NSIUX)		106.95	\$65,347.49	08/18/10	\$65,409.00		\$61.51
	01/27/10	N/A	45.00	NT	MFC SPDR GOLD TR GOLD SHS		106.95	\$4,812.75	08/20/10	\$5,389.11		\$576.36
	12/11/08	N/A	1,309.10	NT	MFO PIMCO FDS PAQ INVT MGMT SER (PCRUX)		6.09	\$7,972.42	08/18/10	\$10,355.00		\$2,382.58
		Fund Sales	74,908.92					\$528,936.86		\$594,962.71	\$ -	\$66,025.85
NORTHERN TRUST (GAINS/LOSSES) - BONDS (COST AND PRICE ARE NET OF COMMISSION)												
DECEMBER 2010	08/03/06	TPR EST	5,000.00		UNIVERSITY NEB FAC'S CORP		\$10.10	\$50,521.00	7/15/2010	\$50,000.00		(\$521.00)
	08/03/06	TPR EST	5,000.00		DETROIT MICH WTR SUPPLY SYS		\$10.14	\$50,718.50	8/20/2010	\$51,414.50		\$696.00
			10,000.00					\$101,239.50		\$101,414.50	\$0.00	\$175.00
											REALIZED GAIN/(LOSS) FROM SALE STOCKS, FUNDS & BONDS	\$67,262.19

Pierce Runnells Foundation
EIN 76-0512606
Contributions for 2010

Date	Check Number	Name	Name Address	City	State	Zip Code	Purpose	Amount
01/04/2010	2524	Zachary Scott Theatre	1510 Toomey Rd	Austin	TX	78704-1078	General Fund	5,000.00
01/21/2010	2526	Ocean Reef Foundation	200 Anchor Drive Suite B	Key Largo	FL	33037	Haiti Earthquake Relief	2,500.00
03/09/2010	2529	The Gathering Place	P.O. Box 35561	Houston	TX	77235	General Fund	7,500.00
04/08/2010	2531	UT Health Science Center	PO Box 20036	Houston	TX	77225	Runnells Distinguished Professorship	100,000.00
04/26/2010	2532	National Multiple Sclerosis Society	PO Box 4125	Houston	TX	77210-4125	General Fund	500.00
05/18/2010	2537	Project Transitions	PO Box 4826	Austin	TX	78765	General Fund	2,500.00
05/28/2010	2538	St Paul's School	325 Pleasant Street	Concord	NH	03301-2591	Financial Aid	2,000.00
08/10/2010	2544	Iron City Charitable Gift Fund	Five PPG Place, Ste 250	Pittsburgh	PA	15222-5414	General Fund	100,000.00
08/18/2010	2545	Houston Parks Board	300 Nortg Post Oak Lane	Houston	TX	77024	General Fund	500.00
08/19/2010	2546	UT Health Science Center	P.O. Box 203366	Houston	TX	77216-3366	Dr Wetzel/Stem Cell Research	250,000.00
09/21/2010	2548	St. Paul's School	325 Pleasant Street	Concord	NH	03301-2591	Runnells Family Scholarship Fund	250,000.00
12/07/2010	2552	Boys & Girls Clubs of Bay City & Matagorda	PO Box 762	Bay City	TX	77404-0762	General Fund	10,000.00
Total - Cash Donations to Charity								730,500.00

STATEMENT B