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

2010

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

For calendar year 2010, or tax year beginning , 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 David B Hendricks II Foundation		A Employer identification number 76-0619640
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 281-580-1247
15100 Diamondhead Road		
City or town, state, and ZIP code Montgomery TX 77356		
H Check type of organization: ☐ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☒ Other taxable private foundation		C If exemption application is pending, check here ☐ D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐ E If private foundation status was terminated under section 507(b)(1)(A), check here ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 801,653	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	18	18	18	
	4 Dividends and interest from securities	27,885	27,885	27,885	
	5 a Gross rents		0		
	b Net rental income or (loss)	0			
	6 a Net gain or (loss) from sale of assets not on line 10	61,585			
	b Gross sales price for all assets on line 6a	325,268			
	7 Capital gain net income (from Part IV, line 2)		61,585		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0				
11 Other income (attach schedule)	7,364	7,364	7,364		
12 Total. Add lines 1 through 11	96,852	96,852	35,267		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	555	0	555	0
	c Other professional fees (attach schedule)	0	0	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	303	18	303	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
	21 Travel, conferences, and meetings	229	0	229	
	22 Printing and publications				
	23 Other expenses (attach schedule)	495	0	495	0
	24 Total operating and administrative expenses. Add lines 13 through 23	1,582	18	1,582	0
	25 Contributions, gifts, grants paid	36,500			36,500
26 Total expenses and disbursements. Add lines 24 and 25	38,082	18	1,582	36,500	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	58,770				
b Net investment income (if negative, enter -0-)		96,834			
c Adjusted net income (if negative, enter -0-)			33,685		

19 P

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash—non-interest-bearing	86,263	87,900	87,900
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶	0		
	Less allowance for doubtful accounts ▶	0	0	0
	4 Pledges receivable ▶	0		
	Less allowance for doubtful accounts ▶	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶	0		
	Less allowance for doubtful accounts ▶	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	323,925	364,103	368,363
	c Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11 Investments—land, buildings, and equipment basis ▶	0		
	Less accumulated depreciation (attach schedule) ▶	0	0	0
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	318,707	343,191	345,390
	14 Land, buildings, and equipment basis ▶	0		
	Less accumulated depreciation (attach schedule) ▶	0	0	0
	15 Other assets (describe ▶)	0	0	0
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	728,895	795,194	801,653
Net Assets or Fund Balances	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe ▶)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,007,268	1,007,268	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	-278,373	-212,074	
	30 Total net assets or fund balances (see page 17 of the instructions)	728,895	795,194	
Total	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	728,895	795,194	

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	728,895
2 Enter amount from Part I, line 27a	2	58,770
3 Other increases not included in line 2 (itemize) ▶ Book/Tax difference on K-1 capital accounts	3	7,529
4 Add lines 1, 2, and 3	4	795,194
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	795,194

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 0	0	0	0
b 0	0	0	0
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a 0	0	0	0
b 0	0	0	0
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

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	61,585
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 }	3	54,600

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	40,547	663,867	0.061077
2008	42,282	656,332	0.064422
2007	38,500	785,795	0.048995
2006	39,250	756,518	0.051882
2005	37,275	740,817	0.050316

2 Total of line 1, column (d)	2	0.276692
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.055338
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	749,363
5 Multiply line 4 by line 3	5	41,468
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	968
7 Add lines 5 and 6	7	42,436
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	36,500

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

- 1 **a** Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1
Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)
- b** Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b
- 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
- b** Exempt foreign organizations—tax withheld at source
- c** Tax paid with application for extension of time to file (Form 8868)
- d** Backup withholding erroneously withheld
- 7 Total credits and payments. Add lines 6a through 6d
- 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 Enter the amount of line 10 to be **Credited to 2011 estimated tax** ☐ **Refunded** ☐

6a	0
6b	
6c	1,700
6d	
7	1,700
8	10
9	247
10	0
11	0

Part VII-A Statements Regarding Activities

- 1 **a** During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?
- b** Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?
If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities
- c** Did the foundation file **Form 1120-POL** for this year?
- d** Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____
- e** Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____
- 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities
- 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
- 4 **a** Did the foundation have unrelated business gross income of \$1,000 or more during the year?
b If "Yes," has it filed a tax return on **Form 990-T** for this year?
- 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T
- 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?
- 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
- 8 **a** Enter the states to which the foundation reports or with which it is registered (see page 19 of the 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
- 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)?
If "Yes," complete Part XIV
- 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b	N/A	
5		
6	X	
7	X	
8b	X	
9		X
10		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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ► N/A				
14	The books are in care of ► David Hendricks	Telephone no ►	281-580-1247	
Located at ► 15100 Diamondhead Rd Montgomery TX		ZIP+4 ►	77356	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ►	15		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►				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?	☐ Yes	☒ No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes	☒ No
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes	☒ No
If "Yes," list the years ► 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	3b	N/A
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)? (see page 22 of the instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?**5b** N/A

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?**7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
David B Hendricks 15100 Diamondhead Rd Montgomery TX 77351	Director	1 00	0	0
		00	0	0
		00	0	0
		00	0	0
		00	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
.....		0
.....		0
.....		0
.....		0
.....		0
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 (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	
.....	
2	
.....	
All other program-related investments. See page 24 of the instructions	
3	
.....	0
Total. Add lines 1 through 3	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	341,644
b	Average of monthly cash balances	1b	87,082
c	Fair market value of all other assets (see page 25 of the instructions)	1c	332,049
d	Total (add lines 1a, b, and c)	1d	760,775
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	760,775
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	11,412
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	749,363
6	Minimum investment return. Enter 5% of line 5	6	37,468

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	37,468
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,937
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	1,937
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	35,531
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	35,531
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	35,531

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	36,500
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	36,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	36,500

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				35,531
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005	1,189			
b From 2006	2,800			
c From 2007	1,159			
d From 2008	9,631			
e From 2009	8,260			
f Total of lines 3a through e	23,039			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 36,500				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				35,531
e Remaining amount distributed out of corpus	969			
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	24,008			
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			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) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	1,189			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	22,819			
10 Analysis of line 9				
a Excess from 2006	2,800			
b Excess from 2007	1,159			
c Excess from 2008	9,631			
d Excess from 2009	8,260			
e Excess from 2010	969			

Part XIV Private Operating Foundations (see page 27 of the 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

N/A

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

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

Tax year	Prior 3 years			(e) Total
(a) 2010	(b) 2009	(c) 2008	(d) 2007	
0	0	0		0
0	0	0	0	0
0	0	0		0
				0
0	0	0	0	0
0	0	0		0
0	0	0		0
				0
				0
				0
				0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

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

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

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines

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

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	<i>Paid during the year</i>				
	Youth Reach Houston P.O. Box 9631 Houston TX 77213		501(c)(3)	Provide Some Fin'l Support	6,500
	The ARK Group 2611 FM 1960 W Suite H201 Houston TX 77068		501(c)(3)	Provide Some Fin'l Support	5,000
	YWCA of Eastern Union 1131 E Jersey Street Elizabeth NJ 07201		501(c)(3)	Provide Some Fin'l Support	5,000
	SMC Foundation 1900 Pico Blvd Santa Monica CA 90404		501(c)(3)	Provide Some Fin'l Support	5,000
	The Conservation Fund 1655 N Ft Myer Dr, Suite 1300 Arlington VA 22209		501(c)(3)	Provide Some Fin'l Support	1,250
	The Nature Conservancy 4245 N Fairfax Dr, Suite 100 Arlington VA 22203		501(c)(3)	Provide Some Fin'l Support	1,250
	Young Life P O. Box 2920 Colorado Springs CO 80901		501(c)(3)	Provide Some Fin'l Support	500
	TAMU Foundation 413 Wehner Buliding College Station TX 77843		501(c)(3)	Provide Some Fin'l Support	2,000
	Texas Christian University TCU Box 297044 Ft Worth TX 76129		501(c)(3)	Provide Some Fin'l Support	10,000
Total					36,500
b	<i>Approved for future payment</i>				
Total					

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.					
	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	18	
4 Dividends and interest from securities			14	27,885	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	7,364	
8 Gain or (loss) from sales of assets other than inventory			14	61,585	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		96,852	0
13 Total. Add line 12, columns (b), (d), and (e)				13	96,852

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

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

[illegible]

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

[illegible]

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

b If "Yes," complete the following schedule.

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

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

 Signature of officer or trustee	7-22-11 Date	Director Title
--	-----------------	-------------------

**Paid
Preparer
Use Only**

Print/Type preparer's name Chris Kolenda JD CPA	Preparer's signature 	Date July 20, 2011	Check ☐ if self-employed	PTIN P00644073
Firm's name ▶ Niedersachsen Ltd.			Firm's EIN ▶ 20-3305579	
Firm's address ▶ 5642 Sylmar Rd., Houston, TX 77081			Phone no ▶ 713-624-4216	

ine 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index		Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Totals					Net Gain or Loss
									Securities		Other sales			
									Gross Sales	Cost, Other Basis and Expenses	Expense of Sale and Cost of Improvements	Depreciation		
			Long Term CG Distributions							325,268	263,683	0	0	61,585
			Short Term CG Distributions											
1	X		BHP Billiton 100				8/24/2007		11/12/2010	8,743	6,157			2,586
2	X		Cooper Industries 250				1/22/2008		3/2/2010	11,720	10,517			1,203
3	X		SMH CG Distr				1/1/2009		12/31/2010	183	0			183
4	X		Cybertronics 950				12/3/2008		9/14/2010	19,198	18,879			319
5	X		IS MSCI Emrg Mkt				10/15/2009		9/23/2010	10,887	10,355			532
6	X		NVIDIA Corp 200				4/16/2009		4/6/2010	3,384	2,359			1,025
7	X		Potash Corp Sask 125				11/7/2008		3/30/2010	15,028	10,141			4,887
8	X		Potash Corp Sask 175				6/16/2010		9/14/2010	25,967	17,438			8,529
9	X		RIMM 75				12/22/2005		2/26/2010	5,291	1,646			3,645
10	X		Rydex S&P500 150				9/8/2009		2/24/2010	25,659	22,185			3,474
11	X		Potash Corp Sask 75				10/15/2009		3/30/2010	9,017	7,124			1,893
12	X		S&P 500 SPDR 150				9/8/2009		2/24/2010	16,470	15,448			1,022
13	X		Vertex Pharm 40				11/30/2005		2/26/2010	1,599	1,022			577
14	X		Energy XXI Bermuda 2000				12/9/2009		1/4/2010	4,813	3,801			1,012
15	X		Energy XXI Bermuda 2000				12/9/2009		1/11/2010	6,926	3,801			3,125
16	X		Energy XXI Bermuda 2000				12/9/2009		1/14/2010	7,228	3,801			3,427
17	X		Energy XXI Bermuda 300				12/9/2009		3/16/2010	5,962	2,851			3,111
18	X		Energy XXI Bermuda 500				12/9/2009		3/26/2010	8,670	4,751			3,919
19	X		PAA Nat Gas Storage LP 1000				4/29/2010		5/20/2010	22,967	21,505			1,462
20	X		Waste Svcs 3000				8/5/2009		5/20/2010	32,029	14,404			17,625
21	X		Oasis Pete 1000				6/17/2010		7/13/2010	15,705	14,005			1,700
22	X		Weatherford 1000				5/10/2010		8/2/2010	16,514	15,999			515
23	X		Energy XXI Bermuda 1000				10/29/2010		11/8/2010	22,983	20,754			2,229
24	X		Orchard Ent 666				2/2/2006		3/22/2010	1,302	19,485			-18,183
25	X		Waste Svcs 2000				9/21/2001		4/12/2010	21,360	12,000			9,360
26	X		Regent Comm 2500				11/25/2008		5/6/2010	325	255			70
27	X		Waste Svcs 500				9/21/2001		5/20/2010	5,338	3,000			2,338

Line 11 (990-PF) - Other Income

		7,364	7,364	7,364
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Net P/T Income from K1s	7,364	7,364	7,364
2			0	
3			0	
4			0	
5			0	
6			0	
7			0	
8			0	
9			0	
10			0	

Line 16b (990-PF) - Accounting Fees

		555	0	555	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Tax Preparation	555		555	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

303					18	303	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes		
1	Federal Income Tax	285		285			
2	Foreign Income Taxes	18	18	18			
3	Income tax						
4							
5							
6							
7							
8							
9							
10							

Line 23 (990-PF) - Other Expenses

		495	0	495	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization. See attached statement	0	0	0	0
2	Fund Raising				
3	ASF Membership	495	0	495	
4	Travel				
5					
6					
7					
8					
9					
10					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

			323,925	364,103	314,925	368,363
	Description	Num. Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	SMH Stock		100,574	87,102	90,865	75,190
2	SMH Mutual Funds		31,543	90,848	37,753	114,574
3	Texas Capital Stock (Schwab)		191,808	186,153	186,307	178,599
4						
5						
6						
7						
8						
9						
10						

Part II, Line 13 (990-PF) - Investments - Other

			318,707	343,191	345,390
	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	Revista Note	FMV	300,000	300,000	300,000
2	Partnership Capital Accounts		18,707	43,191	45,390
3					
4					
5					
6					
7					
8					
9					
10					

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Long Term CG Distributions Short Term CG Distributions	Amount		CUSIP #	How Acquired	Date Acquired	Date Sold	Totals		Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FM V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
		0	0					0	0								
	Kind(s) of Property Sold																
1	BHP Billiton 100					8/24/2007	11/12/2010			8,743	0	6,157	2,586			0	61,585
2	Cooper Industries 250					1/22/2008	3/2/2010			11,720	0	10,517	1,203			0	2,586
3	SMH CG Distr					1/1/2009	12/31/2010			183	0	0	183			0	1,203
4	Cybertronics 950					12/3/2008	9/14/2010			19,198	0	18,879	319			0	183
5	US MSCI Emrg Mkt					10/15/2009	9/23/2010			10,887	0	10,355	532			0	319
6	NVIDIA Corp 200					4/16/2009	4/6/2010			3,384	0	2,359	1,025			0	532
7	Potash Corp Sask 125					11/7/2008	3/30/2010			15,028	0	10,141	4,887			0	1,025
8	Potash Corp Sask 175					6/16/2010	9/14/2010			25,967	0	17,438	8,529			0	4,887
9	RIMM 75					12/22/2005	2/26/2010			5,291	0	1,646	3,645			0	8,529
10	Rydex S&P500 150					9/8/2009	2/24/2010			25,659	0	22,185	3,474			0	3,645
11	Potash Corp Sask 75					10/15/2009	3/30/2010			9,017	0	7,124	1,893			0	3,474
12	S&P 500 SPDR 150					9/8/2009	2/24/2010			16,470	0	15,448	1,022			0	1,893
13	Vertex Pharm 40					11/30/2005	2/26/2010			1,599	0	1,022	577			0	1,022
14	Energy XXI Bermuda 2000					12/9/2009	1/4/2010			4,813	0	3,801	1,012			0	577
15	Energy XXI Bermuda 2000					12/9/2009	1/11/2010			6,926	0	3,801	3,125			0	1,012
16	Energy XXI Bermuda 2000					12/9/2009	1/14/2010			7,228	0	3,801	3,427			0	3,125
17	Energy XXI Bermuda 300					12/9/2009	3/16/2010			5,962	0	2,851	3,111			0	3,427
18	Energy XXI Bermuda 500					12/9/2009	3/26/2010			8,670	0	4,751	3,919			0	3,111
19	PAA Nat Gas Storage LP 1000					4/29/2010	5/20/2010			22,967	0	21,505	1,462			0	3,919
20	Waste Svcs 3000					8/5/2009	5/20/2010			32,029	0	14,404	17,625			0	1,462
21	Oasis Pete 1000					6/17/2010	7/13/2010			15,705	0	14,005	1,700			0	17,625
22	Weatherford 1000					5/10/2010	8/2/2010			16,514	0	15,999	515			0	1,700
23	Energy XXI Bermuda 1000					10/29/2010	11/8/2010			22,983	0	20,754	2,229			0	515
24	Orchard Ent 666					2/2/2006	3/22/2010			1,302	0	19,485	-18,183			0	2,229
25	Waste Svcs 2000					9/21/2001	4/12/2010			21,360	0	12,000	9,360			0	-18,183
26	Regent Comm 2500					11/25/2008	5/6/2010			325	0	255	70			0	9,360
27	Waste Svcs 500					9/21/2001	5/20/2010			5,338	0	3,000	2,338			0	70

