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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

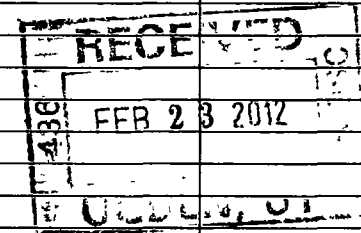
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, or tax year beginning **OCT 1, 2010**, and ending **SEP 30, 2011**

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 <b>THE JACKSON FOUNDATION</b>		A Employer identification number <b>76-0554322</b>
Number and street (or P O box number if mail is not delivered to street address) <b>5005 WOODWAY</b>	Room/suite <b>200</b>	B Telephone number <b>713-850-9033</b>
City or town, state, and ZIP code <b>HOUSTON, TX 77056</b>		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) \$ <b>1,405,803.</b> (Part I, column (d) must be on cash basis.)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received			N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	3,337.	3,337.		STATEMENT 1
4 Dividends and interest from securities	38,650.	38,650.		STATEMENT 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	163,607.			
b Gross sales price for all assets on line 6a <b>763,002.</b>				
7 Capital gain net income (from Part IV, line 2)		163,607.		
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	262.	262.		STATEMENT 3
12 Total. Add lines 1 through 11	205,856.	205,856.		
13 Compensation of officers, directors, trustees, etc	1,650.	990.		660.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees <b>STMT 4</b>	4,713.	2,356.		2,357.
c Other professional fees <b>STMT 5</b>	53,392.	33,662.		22,730.
17 Interest	91.	91.		0.
18 Taxes <b>STMT 6</b>	272.	272.		0.
19 Depreciation and depletion	437.	437.		
20 Occupancy	2,085.	1,042.		1,043.
21 Travel, conferences, and meetings	40.	20.		20.
22 Printing and publications				
23 Other expenses <b>STMT 7</b>	3,681.	1,839.		1,842.
24 Total operating and administrative expenses. Add lines 13 through 23	66,361.	40,709.		28,652.
25 Contributions, gifts, grants paid	45,000.			45,000.
26 Total expenses and disbursements. Add lines 24 and 25	111,361.	40,709.		73,652.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	94,495.			
b Net investment income (if negative, enter -0-)		165,147.		
c Adjusted net income (if negative, enter -0-)			N/A	



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	41,847.	12,362.	12,362.
	2 Savings and temporary cash investments	16,762.	17,013.	17,013.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other	STMT 9	1,380,833.	1,374,243.	1,374,243.
14 Land, buildings, and equipment: basis ▶	2,622.			
Less accumulated depreciation STMT 10 ▶	437.	0.	2,185.	2,185.
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		1,439,442.	1,405,803.	1,405,803.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		1,439,442.	1,405,803.
	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		1,439,442.	1,405,803.	
31 Total liabilities and net assets/fund balances		1,439,442.	1,405,803.	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,439,442.
2 Enter amount from Part I, line 27a	2	94,495.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,533,937.
5 Decreases not included in line 2 (itemize) ▶	5	SEE STATEMENT 8 128,134.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,405,803.

**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	P	VARIOUS	VARIOUS
b	SEE STATEMENT A	P	VARIOUS	VARIOUS
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 90,667.		98,849.	<8,182.>
b 672,335.		500,546.	171,789.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			<8,182.>
b			171,789.
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7             }	2	163,607.
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	82,895.	1,410,643.	.058764
2008	100,553.	1,282,941.	.078377
2007	104,342.	1,978,618.	.052735
2006	105,705.	2,106,426.	.050182
2005	89,652.	1,971,266.	.045479

2 Total of line 1, column (d)	2	.285537
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	.057107
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,545,583.
5 Multiply line 4 by line 3	5	88,264.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,651.
7 Add lines 5 and 6	7	89,915.
8 Enter qualifying distributions from Part XII, line 4	8	73,652.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <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 type="checkbox"/> and enter 1% of Part I, line 27b		1	3,303.
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	3,303.
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	3,303.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
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		0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		2.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		3,305.
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 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 type="checkbox"/> \$ 0. (2) On foundation managers. <input 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 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?	X	
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 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

**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)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>HTTP://WWW.THEJACKSONFOUNDATION.ORG</u>	X		
14	The books are in care of ► <u>CAROL DEASON</u> Telephone no. ► <u>713-850-9033</u> Located at ► <u>5005 WOODWAY, SUITE 200, HOUSTON, TX</u> ZIP+4 ► <u>77056</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		15	N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►		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		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.)	N/A	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	N/A	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b X

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

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

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

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

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

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

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

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

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? **7b**  Yes  No **N/A**

**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 11		1,650.	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	

**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	

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.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	1,534,273.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	34,847.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,569,120.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	1,569,120.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	23,537.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	1,545,583.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	77,279.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	77,279.
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	3,303.
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	3,303.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	73,976.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	73,976.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	73,976.

**Part XII** Qualifying Distributions (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	73,652.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	73,652.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	73,652.

**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.

Form 990-PF (2010)

**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				73,976.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			24,208.	
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: ▶ \$ 73,652.				
a Applied to 2009, but not more than line 2a			24,208.	
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				49,444.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (if an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				24,532.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

N/A

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling

**b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

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

**SEE STATEMENT 12**

**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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year <b>SEE SCHEDULE B ATTACHED</b>				45,000.
<b>Total</b>				▶ 3a <b>45,000.</b>
b Approved for future payment  NONE				
<b>Total</b>				▶ 3b <b>0.</b>







**CYPRESS ASSET MANAGEMENT, INC.**  
**REALIZED GAINS AND LOSSES**  
**THE JACKSON FOUNDATION**  
*From 10-01-10 Through 09-30-11*

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
12-28-09	01-27-11	150 0000	APPLE COMPUTER	31,836	51,590		19,755
11-25-08	01-27-11	500 0000	BARRICK GOLD	13,514	23,231		9,717
03-19-99	01-27-11	350 0000	BERKSHIRE HATHAWAY CL B	17,808	29,047		11,239
04-08-99	01-27-11	150.0000	BERKSHIRE HATHAWAY CL B	7,050	12,449		5,399
05-06-05	01-27-11	1,000 0000	DUKE ENERGY	17,108	18,233		1,125
05-04-04	01-27-11	500 0000	EMERSON ELECTRIC	14,860	29,311		14,451
05-26-10	01-27-11	100 0000	EOG RESOURCES	10,097	10,293	196	
05-29-09	01-27-11	125 0000	ISHARES FTSE CHINA 25 INDEX	4,643	5,397		755
05-29-09	01-27-11	38 0000	SPDR GOLD TRUST	3,644	4,859		1,214
05-29-09	01-27-11	12 0000	SPDR GOLD TRUST	1,151	1,534		384
09-01-06	01-27-11	1,000 0000	MERCK	40,989	33,291		-7,698
05-27-09	01-27-11	500 0000	NEWMONT MINING	23,648	27,561		3,913
11-25-08	01-27-11	600 0000	NESTLE	21,039	32,666		11,627
01-10-08	01-27-11	800 0000	PETROLEO BRASILEIRO HLDG	37,914	26,131		-11,783
01-24-08	01-27-11	100 0000	PETROLEO BRASILEIRO HLDG	4,249	3,266		-983
01-24-08	01-27-11	126 0000	PETROLEO BRASILEIRO HLDG	5,353	4,116		-1,238
01-24-08	01-27-11	374.0000	PETROLEO BRASILEIRO HLDG.	15,890	12,216		-3,674
07-26-00	01-27-11	600.0000	PROCTER & GAMBLE	17,802	38,284		20,482
02-14-03	01-27-11	500 0000	PNC FINANCIAL	21,395	30,761		9,366
03-06-02	01-27-11	500 0000	QUALCOMM	9,964	27,422		17,457
05-27-09	01-27-11	400.0000	POWERSHARES QQQ TRUST	14,045	22,891		8,847
05-29-09	01-27-11	400.0000	POWERSHARES QQQ TRUST	13,997	22,891		8,894
05-06-05	01-27-11	500 0000	SPECTRA ENERGY	12,332	12,998		665
01-10-07	01-27-11	1,000 0000	SPECTRA ENERGY	26,730	25,996		-734
01-10-08	01-27-11	400 0000	SCHLUMBERGER	38,926	34,295		-4,631
07-29-08	01-27-11	300 0000	WELLS FARGO	8,759	9,704		945
11-25-08	01-27-11	300 0000	WELLS FARGO	7,731	9,704		1,973
03-06-01	01-27-11	400.0000	EXXON MOBIL	16,751	31,967		15,215
05-15-02	02-03-11	100 0000	BERKSHIRE HATHAWAY CL B	5,239	8,271		3,032
11-23-99	02-03-11	150 0000	PEPSICO	5,466	9,643		4,177
01-04-00	02-03-11	350 0000	PEPSICO	12,664	22,500		9,836
05-24-00	02-03-11	100 0000	PEPSICO	4,066	6,429		2,362
05-29-07	04-01-11	54 0000	PHILIP MORRIS	2,677	3,513		836
05-29-07	04-01-11	46.0000	PHILIP MORRIS	2,280	2,992		712

Cypress Asset Management, Inc.'s Statement of Gains and Losses is based on information supplied to Cypress by clients, brokers, custodians or other third party entities. We rely on this information in preparing the Statement of Gains and Losses and we cannot certify the accuracy of the underlying information. The Statement of Gains and Losses is not a tax reporting document and is not intended to imply tax advice. You must consult your own tax professional and your own original records to verify the accuracy of the information.

**CYPRESS ASSET MANAGEMENT, INC.**  
**REALIZED GAINS AND LOSSES**  
**THE JACKSON FOUNDATION**  
*From 10-01-10 Through 09-30-11*

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss		
						Short Term	Long Term	
01-27-11	04-08-11	500	ARCHER-DANIELS-MIDLAND PFD	21,274	22,541	1,267		
05-29-01	07-29-11	200 0000	PROCTER & GAMBLE	6,342	12,382		6,041	
05-29-01	07-29-11	100 0000	PROCTER & GAMBLE	3,171	6,191		3,020	
01-27-11	08-09-11	35	BANK OF AMERICA PFD L	34,296	27,825	-6,471		
01-27-11	09-13-11	500 0000	MARKET VECTORS - AGRIBUSINESS	27,652	25,008	-2,644		
01-27-11	09-13-11	100 0000	MARKET VECTORS - AGRIBUSINESS	5,530	5,002	-529		
05-29-01	09-13-11	300.0000	PROCTER & GAMBLE	9,512	18,603		9,091	
TOTAL GAINS							1,462	202,531
TOTAL LOSSES							-9,644	-30,740
TOTAL REALIZED GAIN/LOSS 163,609				<b>599,395</b>	<b>763,004</b>	<b>-8,182</b>	<b>171,791</b>	

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THE JACKSON FOUNDATION

76-0554322

PART XV SUPPLEMENTARY INFORMATION (CONTINUED)

LINE 3a GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR 10/01/10-9/30/11

RECIPIENT NAME AND ADDRESS	RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF CONTRIBUTION	AMOUNT
BOYS AND GIRLS COUNTRY 18806 ROBRTS ROAD HOCKLEY, TEXAS 77447	NONE		CHARITABLE	4,000
THE CHINQUAPIN SCHOOL 2615 E. WALLISVILLE RD. HIGHLANDS, TX 77562	NONE		EDUCATIONAL	5,500
THE PERIWINKLE FOUNDATION 3000 RICHMOND AVE. HOUSTON, TX 77098	NONE		HEALTH	3,000
THE ARBOR SCHOOL 1635 BLALOCK HOUSTON, TEXAS 77080	NONE		EDUCATIONAL	4,000
HOUSTON ARBORETUM & NATURE CENTER 4501 WOODWAY DR. HOUSTON, TX 77024	NONE		EDUCATIONAL	1,500
ODYSSEY HOUSE TEXAS 5629 GRAPEVINE HOUSTON, TX 77085	NONE		HEALTH	4,000
DENVER HARBOR CLINIC 424 HAHLO ST HOUSTON, TX 77020-3326	NONE		HEALTH	1,000
ARCHWAY ACADEMY P O. BOX 4356 HOUSTON, TX 77210-4356	NONE		EDUCATION	4,000
CHILD ADVOCATES, INC 2401 PORTSMOUTH ST. STE 210	NONE		CHARITABLE	4,000

THE JACKSON FOUNDATION

76-0554322

PART XV SUPPLEMENTARY INFORMATION (CONTINUED)

LINE 3a GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR 10/01/10-9/30/11

RECIPIENT NAME AND ADDRESS	RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF CONTRIBUTION	AMOUNT
HOUSTON, TX. 77098 CATHEDRAL HEALTH & OURTREACH MINISTRII 1117 TEXAS AVE. HOUSTON, TX 77002	NONE		HEALTH	1,000
CASA de ESPERANZA de los NINOS P.O. BOX 66581 HOUSTON, TX 77266-6581	NONE		CHARITABLE	4,000
COUNCIL ON ALCOHOL & DRUGS, HOUSTON 303 JACKSON HILL STREET HOUSTON, TX 77007	NONE		HEALTH	4,000
NEWSRING 1900 BLALCK, STE. O HOUSTON, tx 77080	NONE		CHARITABLE	3,000
CORNERSTON RECOERY PROGRAM 6221 MAIN ST. HOUSTON, TX 77030	NONE		HEALTH	2,000
TOTAL				\$45,000 00

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

SOURCE	AMOUNT
EL PASO PIPELINE PARTNERS, LP	23.
ENTERPRISE PRODUCTS PARTNERS	30.
KINDER MORGAN ENERGY PARTNERS	165.
SCHWAB MM	3,119.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	3,337.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CYPRESS ASSET MGMT INVESTMENTS	38,578.	0.	38,578.
KINDER MORGAN ENERGY PARTNERS	67.	0.	67.
PLAINS ALL AMERICAN PIPELINE, LP	5.	0.	5.
TOTAL TO FM 990-PF, PART I, LN 4	38,650.	0.	38,650.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DUNCAN ENERGY PARTNERS	262.	262.	
TOTAL TO FORM 990-PF, PART I, LINE 11	262.	262.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,713.	2,356.		2,357.
TO FORM 990-PF, PG 1, LN 16B	4,713.	2,356.		2,357.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING	42,460.	22,730.		22,730.
INVESTMENT FEES	10,850.	10,850.		0.
ADR FEES	82.	82.		0.
TO FORM 990-PF, PG 1, LN 16C	53,392.	33,662.		22,730.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES PAID	157.	157.		0.
FEDERAL TAX	115.	115.		0.
TO FORM 990-PF, PG 1, LN 18	272.	272.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE & DELIVERY	26.	13.		13.
SUPPLIES	400.	200.		200.
TELEPHONE	968.	484.		484.
FAX LINE	248.	124.		124.
COMPUTER INTERNET	1,181.	590.		591.
MEMBERSHIPS	695.	347.		348.
COPIER	161.	80.		81.
BANK CHARGES	2.	1.		1.
TO FORM 990-PF, PG 1, LN 23	3,681.	1,839.		1,842.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
UNREALIZED LOSS	120,344.
NONDEDUCTIBLE EXPENSES	7,790.
TOTAL TO FORM 990-PF, PART III, LINE 5	128,134.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CYPRESS ASSET MGMT	FMV	1,000,162.	1,000,162.
ENTERPRISE PRODUCTS PARTNERS, LP	FMV	78,292.	78,292.
KINDER MORGAN ENERGY PARTNERS, LP	FMV	82,050.	82,050.
EL PASO PIPELINE PARTNERS	FMV	35,470.	35,470.
PLAINS ALL AMERICAN	FMV	47,136.	47,136.
ENERGY TRANSFER PARTNERS	FMV	12,303.	12,303.
MAGELLAN MIDSTREAM PARTNERS	FMV	30,200.	30,200.
ONEOK PARTNERS LP	FMV	46,620.	46,620.
TARGA RESOURCES	FMV	16,440.	16,440.
GOLAR ING PARTNERS	FMV	25,570.	25,570.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,374,243.	1,374,243.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PRINTER	541.	90.	451.
COMPUTER	2,081.	347.	1,734.
TOTAL TO FM 990-PF, PART II, LN 14	2,622.	437.	2,185.



FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 12

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE JACKSON FOUNDATION  
5005 WOODWAY, SUITE 200  
HOUSTON, TX 77056

TELEPHONE NUMBER

713-850-9033

FORM AND CONTENT OF APPLICATIONS

A WRITTEN LETTER OF INQUIRY CAN BE MADE TO THE FOUNDATION AT ANY TIME. THEY SHOULD INCLUDE THE AMOUNT AND PURPOSE OF THE GRANT, AS WELL AS GENERAL INFORMATION ON THE ORGANIZATION. IF THE LETTER OF INQUIRY INDICATES AN AREA IN WHICH THE FOUNDATION MAY BE INTERESTED IN ASSISTING, THE FOUNDATION WILL REQUEST A FORMAL PROPOSAL.

ANY SUBMISSION DEADLINES

ALL PROPOSALS ARE DUE APRIL 30TH OF EACH YEAR. AWARD DECISIONS ARE MADE EACH SEPTEMBER.

RESTRICTIONS AND LIMITATIONS ON AWARDS

INDIVIDUAL GRANTS WILL NOT EXCEED \$10,000. GRANTS MUST BE USED WITHIN ONE YEAR OF RECEIPT. GRANTS MAY NOT BE USED FOR POLITICAL ACTIVITIES, SOCIAL ACTIVITIES, ENDOWMENTS, INDIVIDUAL NEEDS, OR TO SERVICE DEBT. FURTHER, THE FOUNDATION WILL NOT AWARD GRANTS TO A SINGLE ORGANIZATION FOR MORE THAN FIVE CONSECUTATIVE YEARS.