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

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

**2010**

For calendar year **2010**, or tax year beginning **December 1, 2010**, and ending **November 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 LIPNICK FOUNDATION</b>		<b>A</b> Employer identification number <b>74-6088087</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>1717 ST. JAMES PLACE, SUITE 245</b>	Room/suite	<b>B</b> Telephone number (see page 10 of the instructions) <b>713-871-8310</b>
City or town, state, and ZIP code <b>HOUSTON TX 77056</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>H</b> Check type of organization: <input 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		<b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 1,186,689</b>	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis.)</i>	<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> <i>(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).)</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, etc., received (attach schedule)				
	<b>2</b> Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	<b>3</b> Interest on savings and temporary cash investments				
	<b>4</b> Dividends and interest from securities	53,796	53,796	53,796	
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain or (loss) from sale of assets not on line 10	96,512			
	<b>b</b> Gross sales price for all assets on line 6a				
	<b>7</b> Capital gain net income (from Part IV, line 2)		96,512		
	<b>8</b> Net short-term capital gain			85,370	
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less: Cost of goods sold					
<b>c</b> Gross profit or (loss) (attach schedule)					
<b>11</b> Other income (attach schedule)	(38,776)	(38,776)	(38,776)		
<b>12 Total.</b> Add lines 1 through 11	111,532	111,532	110,390		
<b>Operating and Administrative Expenses</b>	<b>13</b> Compensation of officers, directors, trustees, etc.				
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule)				
	<b>b</b> Accounting fees (attach schedule)				
	<b>c</b> Other professional fees (attach schedule)				
	<b>17</b> Interest				
	<b>18</b> Taxes (attach schedule) (see page 14 of the instructions)				
	<b>19</b> Depreciation (attach schedule) and depletion				
	<b>20</b> Occupancy				
	<b>21</b> Travel, conferences, and meetings				
	<b>22</b> Printing and publications				
	<b>23</b> Other expenses (attach schedule)				
	<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23				
	<b>25</b> Contributions, gifts, grants paid	175,805			175,805
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	175,805			175,805	
<b>27</b> Subtract line 26 from line 12:					
<b>a</b> Excess of revenue over expenses and disbursements	(64,263)				
<b>b</b> Net investment income (if negative, enter -0-)		111,532			
<b>c</b> Adjusted net income (if negative, enter -0-)			110,390		

For Paperwork Reduction Act Notice, see page 30 of the instructions.

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<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .			
	<b>2</b> Savings and temporary cash investments . . . . .	61,664	25,106	25,106
	<b>3</b> Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	<b>4</b> Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	<b>5</b> Grants receivable . . . . .			
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .			
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	<b>8</b> Inventories for sale or use . . . . .			
	<b>9</b> Prepaid expenses and deferred charges . . . . .			
	<b>10a</b> Investments—U.S. and state government obligations (attach schedule)			
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	336,861	455,352	373,007
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .	364,156	118,954	109,711
	<b>11</b> Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	<b>12</b> Investments—mortgage loans . . . . .			
	<b>13</b> Investments—other (attach schedule) . . . . . Pfd Stk	512,728	0	0
	<b>14</b> Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
<b>15</b> Other assets (describe ▶ <u>partnerships</u> )	144,589	805,324	678,835	
<b>16 Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item l) . . . . .	1,419,998	1,404,736	1,186,689	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .			
	<b>18</b> Grants payable . . . . .			
	<b>19</b> Deferred revenue . . . . .			
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons			
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .			
	<b>22</b> Other liabilities (describe ▶ )			
	<b>23 Total liabilities</b> (add lines 17 through 22) . . . . .			
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> . . . . . ▶ <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	<b>24</b> Unrestricted . . . . .			
	<b>25</b> Temporarily restricted . . . . .			
	<b>26</b> Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 27 through 31.</b>			
	<b>27</b> Capital stock, trust principal, or current funds . . . . .			
	<b>28</b> Paid-in or capital surplus, or land, bldg., and equipment fund			
	<b>29</b> Retained earnings, accumulated income, endowment, or other funds			
	<b>30 Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	1,419,998	1,404,736	
<b>31 Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	1,419,998	1,404,736		

<b>Part III Analysis of Changes in Net Assets or Fund Balances</b>		
<b>1</b> 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) . . . . .	<b>1</b>	1,419,998
<b>2</b> Enter amount from Part I, line 27a . . . . .	<b>2</b>	(64,263)
<b>3</b> Other increases not included in line 2 (itemize) ▶ <u>See attached</u>	<b>3</b>	56,081
<b>4</b> Add lines 1, 2, and 3 . . . . .	<b>4</b>	1,411,806
<b>5</b> Decreases not included in line 2 (itemize) ▶ <u>prior yr tax &amp; current yr est tax</u>	<b>5</b>	7,070
<b>6</b> Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	1,404,736

**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 short term - see attached				
b long term - see attached				
c long term capital gain distribution				
d K-1 short term loss				
e K-1 long term gains				
(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			85,528 ST	
b			4,164 LT	
c			186 LT	
d			-158 ST	
e			6,792 LT	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV 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				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	96,512
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	85,370

**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 page 18 of the 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			
2008			
2007			
2006			
2005			
<b>2</b> Total of line 1, column (d)			
<b>3</b> 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			
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			
<b>5</b> Multiply line 4 by line 3			
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			
<b>7</b> Add lines 5 and 6			
<b>8</b> 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.

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

<b>1a</b>	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>b</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	<b>1</b>	2,231	
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>		
<b>3</b>	Add lines 1 and 2	<b>3</b>		
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>		
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	2,231	
<b>6</b>	Credits/Payments:			
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	5,300	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>		
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>		
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>		
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	5,300	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>		
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>		
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>		
<b>11</b>	Enter the amount of line 10 to be: <b>Credited to 2011 estimated tax</b> 3,069 <b>Refunded</b>	<b>11</b>	3,069	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>b</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)? <i>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.</i>		X
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: <b>(1)</b> On the foundation. ▶ \$ _____ <b>(2)</b> On foundation managers. ▶ \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
<b>3</b> 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? <i>If "Yes," attach a conformed copy of the changes</i>		X
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		X
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
<b>6</b> 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?		N/A
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Texas</u>		
<b>b</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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	X	
<b>9</b> 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)? <i>If "Yes," complete Part XIV</i>		X
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

**Part VII-A Statements Regarding Activities (continued)**

<b>11</b>	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)	<b>11</b>		X
<b>12</b>	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	<b>12</b>		X
<b>13</b>	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	<b>13</b>	X	
<b>14</b>	The books are in care of ▶ Elton S. Lipnick Telephone no. ▶ 713-871-8310 Located at ▶ 1717 St. James Pl, Ste. 245, Houston, TX ZIP+4 ▶ 77056			
<b>15</b>	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <b>15</b>			
<b>16</b>	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 ▶	<b>16</b>	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
<b>1a</b>	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 type="checkbox"/> Yes <input checked="" 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? ( <b>Exception.</b> 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>b</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"/>	<b>1b</b>	N/A
<b>c</b>	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?	<b>1c</b>	X
<b>2</b>	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)):		
<b>a</b>	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 ▶ 20____, 20____, 20____, 20____		
<b>b</b>	Are there any years listed in 2a for which the foundation is <b>not</b> 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.)	<b>2b</b>	X
<b>c</b>	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____		
<b>3a</b>	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>b</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.)	<b>3b</b>	N/A
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>	X
<b>b</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?	<b>4b</b>	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** 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 (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
Elton S. Lipnick 1717 St. James Place, #245 Houston, TX 77056	Trustee as Needed	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		
<b>Total number of others receiving over \$50,000 for professional services</b>		▶

**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
<b>1</b> None	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b> None	
<b>2</b>	
<b>3</b> All other program-related investments. See page 24 of the instructions	
<b>Total.</b> Add lines 1 through 3	0.00

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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>	1,214,579
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	20,683
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions) . . . . .	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	1,235,262
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions) . . . . .	<b>4</b>	(18,529)
<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>	1,216,733
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	60,837

**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.)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	60,837
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5 . . . . .	<b>2a</b>	
<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>	
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	60,837
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	60,837
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions) . . . . .	<b>6</b>	
<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>	60,837

**Part XII Qualifying Distributions** (see page 25 of the 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>	175,805
<b>b</b>	Program-related investments—total from Part IX-B . . . . .	<b>1b</b>	
<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>	175,805
<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 (see page 26 of the instructions) . . . . .	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	175,805

**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
<b>1</b> Distributable amount for 2010 from Part XI, line 7 . . . . .				60,837
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only . . . . .				
<b>b</b> Total for prior years: 20__ , 20__ , 20__				
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005 . . . . .				30,789
<b>b</b> From 2006 . . . . .				3,351
<b>c</b> From 2007 . . . . .				0
<b>d</b> From 2008 . . . . .				53,843
<b>e</b> From 2009 . . . . .				146,306
<b>f</b> <b>Total</b> of lines 3a through e . . . . .	234,289			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 175,805				
<b>a</b> Applied to 2009, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions) . . . . .				
<b>d</b> Applied to 2010 distributable amount . . . . .				
<b>e</b> Remaining amount distributed out of corpus . . . . .	114,968			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	30,789			
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	318,468			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011 . . . . .				
<b>7</b> 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) . . . . .				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	30,789			
<b>9</b> <b>Excess distributions carryover to 2011.</b> Subtract lines 7 and 8 from line 6a . . . . .	318,468			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006 . . . . .				3,351
<b>b</b> Excess from 2007 . . . . .				0
<b>c</b> Excess from 2008 . . . . .				53,843
<b>d</b> Excess from 2009 . . . . .				146,306
<b>e</b> Excess from 2010 . . . . .				114,968

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<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 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).)

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**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)				
<p><b>a</b> <i>Paid during the year</i></p> <p>SEE ATTACHED</p>			Charitable	175,805.
<b>Total</b> . . . . . ▶				<b>3a</b> 175,805.
<p><b>b</b> <i>Approved for future payment</i></p>				
<b>Total</b> . . . . . ▶				<b>3b</b>





PART 1, LINE 11 SCHEDULE

1. Royalty income		\$1,778.00
Severance tax	124.	
Depletion	267.	
Administration Exp.	55.	
	<u>(446.)</u>	\$1,332
2. Alliance Bernstein		1,168
3. Boardwalk Pipeline		(3,573)
4. Buckeye		(616)
5. Copano Energy		(4,594)
6. Enbridge Energy		(1,222)
7. Energy Transfer		(7,976)
8. Genesis Energy		(1,171)
9. Legacy Reserves		(116)
10. Linn Energy		(7,766)
11. Magellan Midstream		(106)
12. Natural Resource		184
13. Penn Va GP		(889)
14. Penn Va Resource		(1,316)
15. QR Energy		(1,847)
16. Regency Energy		<u>(10,268)</u>
		<u>\$ (38,776)</u>

Common stock

Holding	Trade date	Number of shares	Purchase price/ Average price per share (\$)	(A) Cost basis (\$)	Price per share on Nov 30 (\$)	(C) Value on Nov 30 (\$)
<b>APOLLO GLOBAL MGMT LLC CL A</b>						
Symbol APO Exchange NYSE						
EAI \$1,200 Current yield 6.39%	Nov 15, 11	1,500,000	13.030	19,545.46	12.520	18,780.00
<b>APOLLO INVESTMENT CORP</b>						
Symbol AINV Exchange OTC						
EAI \$8,711 Current yield 15.53%	Jun 1, 11	5,000,000	11.200	56,004.12	7.210	36,050.00
	Sep 2, 11	2,366,000	9.024	21,351.50	7.210	17,058.86
	Earnings	412,000	8.473	3,491.06	7.210	2,970.52
Security total		7,778,000	10.394	80,846.68		56,079.38
<b>CAPSTEAD MTG CORP NEW 2001 REITS</b>						
Symbol CMO Exchange NYSE						
EAI \$4,400 Current yield 14.10%	Sep 1, 11	2,500,000	13.355	33,388.32	12.480	31,200.00
<b>CENTURYLINK INC</b>						
Symbol CTL Exchange NYSE						
EAI \$5,800 Current yield 7.73%	Apr 19, 11	1,000,000	39.656	39,656.59	37.520	37,520.00
	Apr 19, 11	1,000,000	39.925	39,925.97	37.520	37,520.00
Security total		2,000,000	39.791	79,582.56		75,040.00
<b>CORNING INC</b>						
Symbol GLW Exchange NYSE						
EAI \$600 Current yield 2.26%	Jun 28, 11	2,000,000	17.742	35,484.64	13.270	26,540.00
<b>DIAMOND OFFSHORE DRILLING INC</b>						
Symbol DO Exchange NYSE						
EAI \$300 Current yield 0.83%	Feb 8, 10	300,000	89.780	26,934.25	60.150	18,045.00
	Apr 26, 10	300,000	85.754	25,726.45	60.150	18,045.00
Security total		600,000	87.768	52,660.70		36,090.00
<b>DOW CHEMICAL</b>						
Symbol DOW Exchange NYSE						
EAI \$1,000 Current yield 3.61%	May 20, 11	1,000,000	36.690	36,690.94	27.710	27,710.00
<b>FRONTIER COMMUNICATIONS CORP</b>						
Symbol FTR Exchange NYSE						
EAI \$2,250 Current yield 13.11%	Feb 24, 11	3,000,000	8.463	25,390.99	5.720	17,160.00
<b>GEORGIA GULF CORP NEW</b>						
Symbol GGC Exchange NYSE						
	Jun 28, 11	1,000,000	24.032	24,032.91	19.210	19,210.00
<b>GOLDMAN SACHS GROUP INC</b>						
Symbol GS Exchange NYSE						
EAI \$420 Current yield 1.46%	Nov 18, 11	300,000	92.370	27,711.25	95.860	28,758.00
<b>PENN WEST PETE LTD NEW CAD</b>						
Symbol PWE Exchange NYSE						
EAI \$2,130 Current yield 5.85%	Apr 26, 11	500,000	25.649	12,824.57	18.220	9,110.00
	Sep 20, 11	1,500,000	18.128	27,192.76	18.220	27,330.00
Security total		2,000,000	20.009	40,017.33		36,440.00
<b>Total</b>				<b>\$455,351.78</b>		<b>\$373,007.38</b>

Other equity investments

Holding	Trade date	Number of shares	Purchase price/ Average price per share (\$)	Cost basis (\$)	Price per share on Nov 30 (\$)	Value on Nov 30 (\$)
<b>ALLIANCE BERNSTEIN HLDG LP MLP</b>						
Symbol AB Exchange NYSE						
EAI \$4,680 Current yield 7.76%	Nov 30, 09	1,000,000	25.200	25,556.37	13.410	13,410.00
	May 4, 10	1,000,000	30.410	30,801.87	13.410	13,410.00
	Oct 28, 10	1,500,000	24.850	37,727.40	13.410	20,115.00
	Feb 11, 11	1,000,000	22.500	22,833.81	13.410	13,410.00
Security total		4,500,000	25.982	116,919.45		60,345.00
<b>BOARDWALK PIPELINE PARTNERS LP UNITS REPSTNG LP INTERESTS</b>						
Symbol BWP Exchange NYSE						
EAI \$4,220 Current yield 8.13%	Feb 8, 11	2,000,000	32.850	66,288.44	25.960	51,920.00
<b>COPANO ENERGY LLC COM UNITS MLP</b>						
Symbol CPNO Exchange OTC						
EAI \$2,300 Current yield 6.95%	Mar 18, 11	1,000,000	34.250	34,665.57	33.100	33,100.00
<b>ENERGY TRANSFER PARTNERS LP MLP</b>						
Symbol ETP Exchange NYSE						
EAI \$5,363 Current yield 8.17%	Jun 2, 11	1,000,000	47.068	47,706.59	43.760	43,760.00
	Aug 2, 11	500,000	47.836	24,229.87	43.760	21,880.00
Security total		1,500,000	47.958	71,936.46		65,640.00
<b>GENESIS ENERGY L P UNIT LTD PARTNERSHIP INT MLP</b>						
Symbol GEL Exchange NYSE						
EAI \$3,420 Current yield 6.55%	Jul 15, 11	2,000,000	26.110	52,752.32	26.090	52,180.00
<b>LEGACY RESERVES LP UNIT LTD PARTNERSHIP INT</b>						
Symbol LGCY Exchange OTC						
EAI \$7,630 Current yield 8.13%	Apr 20, 11	1,500,000	32.299	48,945.67	26.820	40,230.00
	May 6, 11	2,000,000	29.037	58,632.50	26.820	53,640.00
Security total		3,500,000	30.737	107,578.17		93,870.00
<b>LINN ENERGY LLC UNITS REPSTG LTD LIABILITY CO INTS</b>						
Symbol LINE Exchange OTC						
EAI \$5,520 Current yield 7.58%	Mar 1, 11	1,000,000	38.679	39,111.28	36.410	36,410.00
	Apr 20, 11	1,000,000	38.934	39,367.44	36.410	36,410.00
Security total		2,000,000	39.239	78,478.72		72,820.00
<b>NATURAL RESOURCE PARTNERS LP UNIT LP INT MLP</b>						
Symbol NRP Exchange NYSE						
EAI \$3,300 Current yield 7.99%	Jul 29, 11	1,000,000	31.219	31,617.29	27.520	27,520.00
	Aug 2, 11	500,000	31.576	16,026.01	27.520	13,760.00
Security total		1,500,000	31.762	47,643.30		41,280.00
<b>PENN VIRGINIA RESOURCE PARTNERS L P</b>						
Symbol PVR Exchange NYSE						
EAI \$10,000 Current yield 8.22%	Jan 31, 11	1,274,000	26.887	34,514.95	24.340	31,009.16
	Jan 31, 11	686,000	26.693	18,585.81	24.340	16,697.24
	Mar 9, 11	1,960,000	26.101	51,686.89	24.340	47,706.40
	Apr 28, 11	1,080,000	28.072	30,709.95	24.340	26,287.20
Security total		5,000,000	27.100	135,497.60		121,700.00
<b>QR ENERGY LP MLP</b>						
Symbol QRE Exchange NYSE						
EAI \$3,800 Current yield 9.51%	Mar 8, 11	2,000,000	22.749	46,014.35	19.980	39,960.00
<b>REGENCY ENERGY PARTNERS LP UNITS REPSTG LTD PARTNER INT</b>						
Symbol RGP Exchange NYSE						
EAI \$3,640 Current yield 7.91%	Oct 13, 10	1,000,000	24.990	25,251.54	23.010	23,010.00
	Sep 19, 11	1,000,000	21.969	22,297.99	23.010	23,010.00
Security total		2,000,000	23.775	47,549.53		46,020.00
<b>Total</b>				<b>\$805,323.91</b>		<b>\$678,835.00</b>

Corporate bonds and notes

Holding	Trade date	Total face value at maturity (\$)	Purchase price (\$)	Cost basis (\$)	Price on Nov 30 (\$)	Value on Nov 30 (\$)
COUNTRYWIDE HOME LN INC						
MTN SER K B/E						
RATE 06 000% MATURES 01/24/18						
ACCRUED INTEREST \$420 00						
CUSIP 22237LNG3						
Moody Baa1 S&P A-						
EAI \$1,200 Current yield 6 63%	Nov 07, 11	20,000 000	97 000	19,405 25	90 446	18,089 20
GENWORTH FINANCIAL INC						
+65BP						
RATE 07 700% MATURES 06/15/20						
ACCRUED INTEREST \$1,764 58						
CUSIP 37247DAM8						
Moody Baa3 S&P BBB						
EAI \$3,850 Current yield 8 38%	Jul 22, 11	50,000 000	98 730	49,370 25	91 869	45,934 50
GENWORTH FINANCIAL INC						
RATE 07 200% MATURES 02/15/21						
ACCRUED INTEREST \$1,050 00						
CUSIP 37247DAN6						
Moody Baa3 S&P BBB						
EAI \$3,600 Current yield 7 88%	Mar 28, 11	50,000 000	100 346	50,178 25	91 374	45,687 00
<b>Total</b>		<b>\$120,000.000</b>		<b>\$118,953.75</b>		<b>\$109,710.70</b>

Part III Line 3 Attachment

Adjustment to broker's cost - annual loss is adjusted only at the time of sale. (See Part IV attachment, Page 4 - for such adjustments increasing gains on dispositions this fiscal year.)

Part III - 19 & 18

# Realized gain/(loss)

from 12/01/2010 to 11/30/2011

P.1074

	CUSIP	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
ALLIANZ SE 8 375% PERPETUAL, CALLABLE	018805200	1,000 00	05/26/2010	24,905 25	02/08/2011	26,038 45	1,133 20
ALLIANZ SE 8 375% PERPETUAL, CALLABLE	018805200	2,000 00	10/05/2010	53,405 25	02/08/2011	52,076 89	-1,328 36
AMER INTL GROUP 05 850% 011618 DTD121207 FC071608 MED TERM NTS	02687QDGO	50,000 00	04/05/2010	47,230 25	03/14/2011	51,794 75	4,564 50
AMERENERGY GENERATING 07 000% 041518 DTD040908 CALL@MW+508P CO NTS	02360XAL1	100,000 00	10/07/2010	102,130 25	05/06/2011	104,206 75	2,076 50
ANNALY CAPITAL MANAGEMENT INC REIT	035710409	2,000 00	03/18/2011	36,109 77	06/23/2011	36,934 03	824 26
BANK OF AMER CORP NTS 05 490% 031519 DTD031507 FC091507	060505DB7	100,000 00	12/09/2010	98,407 25	03/14/2011	101,614 75	3,207 50
BARCLAYS BK PLC 05 140% 101420 DTD101410 FC041411 MED TERM NTS	06739GBP3	100,000 00	01/14/2011	92,445 25	04/19/2011	96,770 75	4,325 50
BARCLAYS BK PLC SER 2 6 625% PREFERRED CLBL PAR VALUE - 25.00 USD	06739F390	13 00	08/19/2010	313 22	03/14/2011	304 69	-8 53
BARCLAYS BK PLC SER 2 6 625% PREFERRED CLBL PAR VALUE - 25 00 USD	06739F390	3,000 00	11/08/2010	74,015 25	03/14/2011	70,313 41	-3,701 84
BLOCK FINANCIAL MW+208P 05 125% 103014 DTD102604 FC043005 NTS	093662AC8	50,000 00	10/15/2010	48,704 25	12/09/2010	49,747 88	1,043 63
BLOCK FINANCIAL MW+208P 05 125% 103014 DTD102604 FC043005 NTS	093662AC8	14,000 00	10/20/2010	12,871 25	12/09/2010	13,929 41	1,058 16
BLOCK FINANCIAL MW+208P 05 125% 103014 DTD102604 FC043005 NTS	093662AC8	36,000 00	10/22/2010	32,720 25	12/09/2010	35,818 47	3,098 22
BP PLC SPON ADR	055622104	500 00	04/30/2010	26,476 46	01/19/2011	24,247 77	-2,228 69
BUCKEYE PARTNERS L P UNIT LTD PARTNERSHIP NTS	118230101	1,000 00	05/26/2011	62,981 96	08/31/2011	62,623 94	-358 02
CAPSTEAD MTG CORP NEW 2001 REITS	14067E506	3,000 00	09/10/2010	33,847 75	05/31/2011	39,329 28	5,481 53
CAPSTEAD MTG CORP NEW 2001 REITS	14067E506	2,000 00	09/14/2010	22,440 88	05/31/2011	26,219 52	3,778 64

Report created on January 12, 2012

Realized gain/(loss) - from 12/01/2010 to 11/30/2011 (continued)

P. 2

	CUSIP	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
COPANO ENERGY LLC COM UNITS MLP	217202100	1,000.00	03/18/2011	34,665.57	11/29/2011	32,411.07	-2,254.50
CROSS TIMBERS ROYALTY TR	22757R109	1,000.00	05/03/2011	43,945.45	06/22/2011	44,156.42	210.97
CROSS TIMBERS ROYALTY TR	22757R109	1,000.00	05/06/2011	41,131.01	06/22/2011	44,156.42	3,025.41
DONNELLY (R R) & SONS CO	257867101	2,500.00	01/19/2011	45,038.10	02/11/2011	46,575.32	1,537.22
ENBRIDGE ENERGY PARTNERS LP MLP	29250R106	200.00	06/28/2011	5,985.61	11/18/2011	6,000.58	14.97
ENBRIDGE ENERGY PARTNERS LP MLP	29250R106	1,300.00	06/28/2011	39,018.69	11/18/2011	39,003.80	-14.89
FIDELITY NATL FINANCIAL 06 600% 051517 DTD050510 CALL@MW+50BP	31620RAC9	50,000.00	01/07/2011	51,015.75	04/19/2011	52,519.75	1,504.00
FRONTIER COMMUNICATIONS CORP	35906A108	5,000.00	11/23/2010	45,871.83	12/16/2010	46,617.15	745.32
GENESIS ENERGY L P UNIT LTD PARTNERSHIP INT MLP	371927104	2,000.00	07/15/2011	52,752.32	11/29/2011	51,801.59	-950.73
GENWORTH FINANCIAL INC 06 515% 052218 DTD052208 CALL@MW+40BP NTS	37247DAK2	34,000.00	02/17/2011	34,277.25	06/02/2011	34,872.63	595.38
GLAXO SMITHKLINE PLC ADR	37733W105	1,000.00	01/03/2011	39,674.83	04/14/2011	40,278.75	603.92
HESS CORP	42809H107	1,000.00	03/16/2011	79,480.37	03/18/2011	81,107.12	1,626.75
HOSPITALITY PROPERTIES TRUST	44106M102	2,500.00	07/21/2010	50,024.27	01/21/2011	61,426.65	11,402.38
HOSPITALITY PROPERTIES TRUST	44106M102	3,000.00	03/10/2011	69,590.04	05/19/2011	72,967.13	3,377.09
HSBC HOLDINGS 8 125% PERPETUAL CALLABLE	404280703	1,000.00	06/21/2010	26,250.07	03/16/2011	26,864.23	614.16
HSBC HOLDINGS 8 125% PERPETUAL CALLABLE	404280703	200.00	09/22/2010	5,583.21	03/16/2011	5,386.64	-196.57
HSBC HOLDINGS 8 125% PERPETUAL CALLABLE	404280703	1,000.00	09/22/2010	27,916.07	03/16/2011	26,869.48	-1,046.59
HSBC HOLDINGS 8 125% PERPETUAL CALLABLE	404280703	1,800.00	09/22/2010	50,248.93	03/18/2011	48,269.81	-1,979.12
INTL PAPER CO	460146103	1,000.00	10/20/2010	24,072.97	01/03/2011	27,758.42	3,685.45
INTL PAPER CO	460146103	1,000.00	10/26/2010	24,244.51	01/03/2011	27,758.42	3,513.91
LLOYDS BANKING GROUP PLC 7 750% DUE 07/15/50 CALLABLE	539439802	2,000.00	09/01/2010	52,350.65	02/17/2011	51,233.76	-1,116.89

Realized gain/(loss) - from 12/01/2010 to 11/30/2011 (continued)

P.3

	CUSIP	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
MAGELLAN MIDSTREAM PARTNERS LP	559080106	500 00	05/04/2011	29,059 13	06/24/2011	29,111 22	52 09
MAGELLAN MIDSTREAM PARTNERS LP	559080106	500 00	05/04/2011	28,935 55	06/24/2011	29,111 22	175 67
MEDICAL PROPERTIES TRUST INC REIT	584631304	2,000 00	11/17/2010	21,534 63	05/04/2011	23,865 66	2,331 03
MEDICAL PROPERTIES TRUST INC REIT	584631304	2,000 00	12/01/2010	21,252 09	05/04/2011	23,865 66	2,613 57
MERCK & CO INC NEW COM	58933Y105	1,000 00	11/09/2010	35,686 80	05/03/2011	35,869 86	183 06
MERCURY GENL CORP NEW	589400100	1,500 00	02/08/2011	59,317 05	09/16/2011	57,966 90	-1,350 15
MERRILL LYNCH PFD CAP TR III ORIG 7 00% CALLABLE	59021F206	1,000 00	09/08/2010	25,025 25	02/24/2011	24,144 28	-880 97
MERRILL LYNCH PFD CAP TR III ORIG 7 00% CALLABLE	59021F206	400 00	09/15/2010	9,997 50	03/08/2011	9,797 71	-199 79
MERRILL LYNCH PFD CAP TR III ORIG 7 00% CALLABLE	59021F206	1,000 00	09/15/2010	24,993 75	02/24/2011	24,149 53	-844 22
MERRILL LYNCH PFD CAP TR III ORIG 7 00% CALLABLE	59021F206	1,000 00	09/16/2010	25,127 90	03/09/2011	24,584 27	-543 63
MERRILL LYNCH PFD CAP TR III ORIG 7 00% CALLABLE	59021F206	600 00	09/16/2010	15,076 75	03/08/2011	14,696 56	-380 19
METLIFE INC SERIES B CALLABLE 09/15/10 RATE 6 500%	59156R603	2,000 00	03/23/2010	49,605 25	01/14/2011	49,514 51	-90 74
NASDAQ OMX GROUP NTS B/E 05 550% 011520	631103A00	100,000 00	03/21/2011	98,392 25	04/26/2011	98,880 75	488 50
DTD011510 CALL @ MW +308P							
NOKIA CORP B/E 05 375% 051519 DTD050709	654902A81	50,000 00	06/29/2011	48,933 25	08/02/2011	49,183 25	250 00
FC111509 CALL@MW+408P							
NYSE EURONEXT	629491101	1,500 00	06/08/2011	53,154 60	07/07/2011	52,141 37	-1,013 23
PENN WEST PETE LTD NEW CAD	707887105	1,500 00	04/26/2011	38,473 73	11/07/2011	27,140 66	-11,333 07
PERMIAN BASIN ROYALTY TR UBI	714236106	3,000 00	04/15/2011	65,548 15	07/22/2011	68,940 99	3,392 84
PROLOGIS TRUST NTS B/E 06 875% 031520 DTD031610	743410AWZ	50,000 00	09/24/2010	49,938 75	01/14/2011	53,462 25	3,523 50
FC091510							
REGENCY ENERGY PARTNERS LP UNITS REPSTG LTD	75885Y107	1,000 00	10/13/2010	25,251 54	09/29/2011	21,868 48	-3,383 06
PARTNER INT							
SENIOR HSG PROPERTIES TRUST SBI	81721M109	2,500 00	03/17/2011	57,426 99	06/08/2011	59,999 81	2,572 82

\* CORRECTED 1099: ~~(732)~~ <sup>1013</sup> (732) <sup>379</sup> *low*

REDUCTION IN LOSS

SEE P.4

\*

Realized gain/(loss) - from 12/01/2010 to 11/30/2011 (continued)

0.4

CUSIP	Quantity	Purchase date	Purchase amount (\$)	Sale date	Sale amount (\$)	Realized gain/(loss) (\$)
TRANSOCEAN SEDCO FOREX 07 375% 041518 893830AK5 DID 101501 FC041502 NT MW@ 25BP BE	50,000.00	05/11/2010	16,305.25	03/04/2011	56,961.00	10,655.75
TRANSOCEAN SEDCO FOREX 07 375% 041518 893830AK5	25,000.00	06/21/2010	24,255.25	03/04/2011	28,480.50	4,225.25
DTD101501 FC041502 NT MW@ 25BP BE	1,000.00	10/19/2009	2,407.98	02/08/2011	26,038.45	11,630.47
ALLIANZ SE 8.375% PERPETUAL, CALLABLE 018805200	1,000.00	11/06/2009	23,505.25	02/08/2011	26,038.45	2,533.20
ALLIANZ SE 8.375% PERPETUAL, CALLABLE 018805200	1,000.00	11/06/2009	23,505.25	02/08/2011	26,038.45	2,533.20
<b>TOTAL REALIZED GAIN/(LOSS):</b>			<b>2,513,346.68</b>		<b>2,575,819.22</b>	<b>62,472.54</b>

TOTAL GAINS:	97,676.32
TOTAL LOSSES:	-35,203.78
SHORT TERM - TOTAL REALIZED GAIN/(LOSS):	58,308.87
LONG TERM - TOTAL REALIZED GAIN/(LOSS):	4,163.67

+1639 + 6346 + 16,136 + 2719 = 85,149

\* BUCKEYE } ADJUSTMENTS TO  
COPANO } TAX BASIS,  
REGENCY } INCREASING GAINS

\* FROM P.3

+ 379  
85,528 ST GAIN

Attachment  
Part XV  
Supplementary Information  
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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
American Cancer Society	400	7707 Fannin
American Heart Association	750	Box 9044, Toronto, OH 43964
American Red Cross	500	P. O. Box 96454 Washington, DC 20090-6454
AMIT	600	871 Broadway, FL3 New York, NY 10003
Baylor College of Medicine Breast Center	100	6620 Main Street, Suite 1350
Brigid's Hope	100	1117 Texas
BRAC USA	800	11 East 44 <sup>th</sup> - 1600 New York, New York 10017
Care	1,700	151 Ellis Street, NE Atlanta, GA 30303
Cherish Our Children International	250	Box 54007, 77254
City Wide Club	2,000	Box 8446 Houston, TX 77288
Community Health Fair	4,000	5200 Pocahontas Bellaire, TX 77401
Congregation K'Nesseth Israel	2,700	P. O. Box 702 Baytown, TX 77521
Congregation Beth Yeshurun	200	4525 Beechnut Street
Congregation B'nai Israel	300	3008 Avenue O, Galveston, TX 77550
Congregation Emanu El	3,450	1500 Sunset
Congregation Shaar Hasholem	100	16020 El Camino Real
DePelchin Center	1,000	4950 Memorial Drive
Doctors Without Borders	4,600	333 7 <sup>th</sup> Avenue New York, NY 10001
Feeding America	2,500	Box 9674 Washington, D.C. 20090-6749

Attachment  
Part XV  
Supplementary Information  
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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Fisher House Foundation	2,500	111 Rockville Pike #420 Rockville, MD 20850
Fort Bend County Women's Center	300	2010 Preston Street Richmond, Texas 77469
Gladney Center for Adoption	1,500	6300 John Ryan Drive Fort Worth, Texas 76132
Hadassah	1,050	50 West 58 Street New York NY 10019
Helping Elderly Residents Out	1,000	12335 Kingsride
Houston Bar Foundation	750	1001 Fannin, Suite 1300
Houston Food Bank	1,500	3811 Eastex Freeway
Houston Ground Angels	1,000	1525 Lakeville Drive - 221 Kingswood, TX 77339
Houston Hillel	27,350	1700 Bissonnet
Houston Holocaust Museum	250	5401 Caroline Street
Houston Hospice	200	1905 Holcombe Blvd.
Houston Humane Society	300	P. O. Box 450528
Houston READ Commission	500	Box 2049
Houston SPCA	800	900 Portway Drive
HSPVA Friends	1,000	4119 Montrose
Institute of Southern Jewish Life	3,000	P. O. Box 16528 Jackson, MS 39236
Interfaith Ministries	5,000	3217 Montrose
Jewish Children's Regional Service	18,000	P. O. Box 7368 Metairie, LA 70010-7368
Jewish Community Center	16,780	5601 S. Braeswood
Jewish Family Service	500	4131 S. Braeswood
Jewish Federation of Greater Houston	8,200	5603 S. Braeswood

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Supplementary Information  
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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
Jewish National Fund	500	6065 Roswell Atlanta, Georgia 30328
Julie Rogers Gift of Life Program	2,500	148 S. Dowlen Road Beaumont, TX
Juvenile Diabetes Foundation	500	1400 Post Oak Blvd.
Kids Meals	2,500	205 W. Crosstimbers Street
KUHF	500	Box 4878
Make A Wish Foundation	1,000	1604 Bissonnet
March of Dimes	500	3000 Wesleyan, Suite 100
M.D. Anderson Cancer Center	500	1515 Holcombe Blvd.
MFAH	150	Box 4606
Menil Museum	90	1515 Sul Ross
Musica	150	119 Waugh Drive #1
National Yiddish Book Center	360	48 Woodridge South Hadley, MA
North American Conference on Ethiopian Jewry (NACOEJ)	400	P. O. Box 11377 Milwaukee, WI 53211-9941
Open Door Mission	1,000	Box 849
Pancreatic Cancer	125	
Rice University	15,000	P. O. Box 1892, 77251-1892
Salvation Army	2,100	2118 Washington
SEARCH	1,000	2505 Fannin
Seven Acres	1,100	6200 N. Braeswood
Shriner's Hospital	2,500	815 Market Galveston, TX 77550
Smile Train	1,500	245 5 <sup>th</sup> Ave New York, NY 10016

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Organization	Amount	Address (All addresses Houston unless otherwise indicated)
South Texas College of Law	1,000	2505 Fannin
Special Olympics	1,500	Box 143806 Austin, TX 78114
St. Jude Children's Research Hospital	3,000	P. O. Box 50 Memphis, TN 38101
Star of Hope	2,500	6798 Ardmore
Stehlin Foundation	1,000	10301 Stella Link, Suite A
Susan G. Komen Race for the Cure	500	Box 96216 Washington, DC 20090
Texas Children's Hospital	500	Box 300630
Texas Access to Justice Foundation	5,000	P. O. Box 12886 Austin, TX 78711
The Fistula Foundation	1,300	1900 The Alameda, 500 San Jose, California 95126
The Hope Foundation	2,500	149 E. Broadway Oviedo, FL 32765
The Melissa Institute	1,500	6200 S.W. 73 Miami, FL 33143
Unicef	1,300	P. O. Box 96383 Washington, DC 20090-6383
United Way	1,100	2200 North Loop West
USO	1,000	2111 Wilson Blvd., Suite 1200 Arlington, VA 22201
Village Shalom	100	5500 West 123rd Overland Park, KS 66209
<b>TOTAL</b>	<b>\$175,805</b>	