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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation STERLING FAMILY FOUNDATION		A Employer identification number 04-6995246
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 1837		B Telephone number (see instructions) (713) 659-6551
City or town, state, and ZIP code BELLAIRE, TX 77402-1837		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply	<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	<input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change
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) \$ 6,116,205.		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(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 (attach schedule)	15,000.			
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	113,825.	113,825.		ATCH 1
5a	Gross rents	89,161.	89,161.		
b	Net rental income or (loss)	32,291.			
6a	Net gain or (loss) from sale of assets not on line 10	60,184.			
b	Gross sales price for all assets on line 6a	354,717.			
7	Capital gain net income (from Part IV, line 2)		60,184.		
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) (attach schedule)				
11	Other income (attach schedule)	571.	571.		ATCH 2
12	Total. Add lines 1 through 11	278,741.	263,741.		
13	Compensation of officers, directors, trustees, etc	2,816.	2,816.		
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) ATCH 3	8,500.	8,500.		
b	Accounting fees (attach schedule) ATCH 4	24,214.	24,214.		
c	Other professional fees (attach schedule) *	33,841.	33,841.		
17	Interest				
18	Taxes (attach schedule) (see instructions) *	39,012.	37,575.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ATCH 7	13,063.	13,063.		
24	Total operating and administrative expenses. Add lines 13 through 23	121,446.	120,009.		
25	Contributions, gifts, grants paid	392,725.			392,725.
26	Total expenses and disbursements. Add lines 24 and 25	514,171.	120,009.		392,725.
27	Subtract line 26 from line 12	-235,430.			
a	Excess of revenue over expenses and disbursements		143,732.		
b	Net investment income (if negative, enter -0-)				
c	Adjusted net income (if negative, enter -0-)				

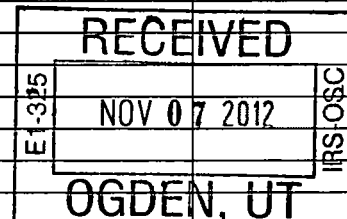
For Paperwork Reduction Act Notice, see instructions.

*ATCH 5 JSA ** ATCH 6

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	203,146.	46,011.	46,011.
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges ATCH 8	10,212.	8,775.	8,775.
	10 a	Investments - U S and state government obligations (attach schedule),			
	b	Investments - corporate stock (attach schedule) ATCH 9	4,825,504.	4,741,311.	4,386,171.
	c	Investments - corporate bonds (attach schedule),			
	11	Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶	1,674,190. 1,667,913.	1,674,190.	1,674,190.
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ ATCH 10)		1,058.	1,058.	
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	6,706,775.	6,471,345.	6,116,205.	
Liabilities	17	Accounts payable and accrued expenses	9,600.	9,600.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	9,600.	9,600.	
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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	6,697,175.	6,461,745.	
	30	Total net assets or fund balances (see instructions)	6,697,175.	6,461,745.	
31	Total liabilities and net assets/fund balances (see instructions)	6,706,775.	6,471,345.		

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	6,697,175.
2	Enter amount from Part I, line 27a	2	-235,430.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	6,461,745.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,461,745.

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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 PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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					
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	60,184.	
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 instructions) If (loss), enter -0- in Part I, line 8			3	0	

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 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))
2010	356,728.	4,987,866.	0.071519
2009	344,564.	4,597,056.	0.074953
2008	327,815.	5,873,689.	0.055811
2007	200,100.	6,777,891.	0.029522
2006	102,000.	4,010,529.	0.025433
2 Total of line 1, column (d)			2 0.257238
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.051448
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 6,582,700.
5 Multiply line 4 by line 3			5 338,667.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,437.
7 Add lines 5 and 6			7 340,104.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions			8 392,725.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,437.
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	
3 Add lines 1 and 2		3	1,437.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,437.
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	10,212.	
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	10,212.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	8,775.	
11 Enter the amount of line 10 to be credited to 2012 estimated tax <input checked="" type="checkbox"/> 8,775. 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 page 19 of the instructions for definition)?		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
If "Yes," attach the statement required by General Instruction T		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> TX, _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (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)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address NONE				
14	The books are in care of JAY EPSTEIN Telephone no 713-659-6551			
	Located at 333 CLAY STREET, SUITE 4700 HOUSTON, TX ZIP + 4 77002-4180			
15	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	15		
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country			X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<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? (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 instructions)?	1b	
	Organizations relying on a current notice regarding disaster assistance check here		<input type="checkbox"/>
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	<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)	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 2011 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 2011)	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 2011?	4b	X

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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 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 instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ 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

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see 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
ATTACHMENT 11		2,816.	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 - see 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

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3

3 Five highest-paid independent contractors for professional services (see instructions). 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 ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A ----- ----- -----	
2 ----- ----- -----	
3 ----- ----- -----	
4 ----- ----- -----	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments by the foundation during the tax year on lines 1 and 2	Amount
1 NONE ----- ----- -----	
2 ----- ----- -----	
All other program-related investments See instructions 3 NONE ----- -----	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	4,755,850.
b	Average of monthly cash balances	1b	255,769.
c	Fair market value of all other assets (see instructions)	1c	1,671,325.
d	Total (add lines 1a, b, and c)	1d	6,682,944.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	6,682,944.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	100,244.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,582,700.
6	Minimum investment return. Enter 5% of line 5	6	329,135.

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

1	Minimum investment return from Part X, line 6	1	329,135.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,437.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,437.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	327,698.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	327,698.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	327,698.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	392,725.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	392,725.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	1,437.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	391,288.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				327,698.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			57,873.	
b Total for prior years 20 09, 20 08, 20 07				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 392,725.				
a Applied to 2010, but not more than line 2a			57,873.	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2011 distributable amount				327,698.
e Remaining amount distributed out of corpus	7,154.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	7,154.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	7,154.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011	7,154.			

Form 990-PF (2011)

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

NOT APPLICABLE

- 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 2011, 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) 2011	(b) 2010	(c) 2009	(d) 2008	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

ATTACHMENT 12

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

ATTACHMENT 13

- c** Any submission deadlines

NONE

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

NONE

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
a <i>Paid during the year</i> ATTACHMENT 14				
Total			▶ 3a	392,725.
b <i>Approved for future payment</i>				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

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

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

JSA
1E1492 1 000

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

[illegible]

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

b If "Yes," complete the following schedule

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

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

Signature of officer or trustee: *[Signature]* Date: *10/28/12* Title: *Trustee*

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

TRINO CORTES, CPA

Preparer's signature

Date

10/28/12

Check ☐ if self-employed

PTIN	
------	--

Firm's name ▶ BDO USA, LLP

Firm's address ► 333 CLAY STREET, SUITE 4700
HOUSTON, TX

77002-4180

Firm's EIN ▶

Phone no 713-659-6551

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

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

OMB No 1545-0047

2011**Name of the organization**

STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

Organization type (check one)**Filers of:****Section:**

Form 990 or 990-EZ

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

Form 990-PF

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

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

Special Rules

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization **STERLING FAMILY FOUNDATION**Employer identification number
04-6995246**Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF LILLIE STERLING P.O. BOX 1837 BELLAIRE, TX 77402-1837	\$ 15,000.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

04-6995246

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____

Name of organization **STERLING FAMILY FOUNDATION**

Employer identification number

04-6995246

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

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis	Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS				6,984.	
1,539.		46.778 SH RUSSELL GLOBAL REAL ESTATE FUN PROPERTY TYPE: SECURITIES 1,421.				118.	11/09/2011
8,123.		826.348 SH RUSSELL GLOBAL INFRASTRUCTURE PROPERTY TYPE: SECURITIES 7,400.				723.	11/09/2011
83,369.		7,579 SH RUSSELL STRATEGIC BOND FUND PROPERTY TYPE: SECURITIES 70,077.				13,292.	06/10/2011
84,483.		7,638.608 SH RUSSELL STRATEGIC BOND FUND PROPERTY TYPE: SECURITIES 70,740.				13,743.	09/12/2011
106,957.		3,322.678 SH RUSSELL INT'L DEVELOPED MAR PROPERTY TYPE: SECURITIES 90,249.				16,708.	03/10/2011
3,271.		153.137 SH RUSSELL US SMALL CAP EQUITY F PROPERTY TYPE: SECURITIES 2,967.				304.	11/09/2011
43,564.		1,496.016 SH RUSSELL US QUANTITATIVE EQU PROPERTY TYPE: SECURITIES 36,898.				6,666.	11/09/2011
16,427.		618.953 SH RUSSELL US CORE EQUITY FUND PROPERTY TYPE: SECURITIES 14,781.				1,646.	11/09/2011
TOTAL GAIN(LOSS)						<u>60,184.</u>	

Sterling Family Foundation
Form 990-PF - Balance Sheet - line 11 - Land

	<u>Cost</u> <u>Basis</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Collingsworth	370,000	-	370,000
North Freeway/Dever	659,007	-	659,007
Elder	75,000	-	75,000
Eunice	78,803	-	78,803
Sul Ross	81,750	-	81,750
Majestic	75,000	-	75,000
Cage	6,750	-	6,750
Dwinnell	75,000	-	75,000
East Freeway	35,710	-	35,710
Foreman	66,250	-	66,250
Fairbanks	125,920	-	125,920
Willis	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	1,674,190	-	1,674,190

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
BILLBOARDS/BLDG	89,161.			89,161.
TOTALS	<u>89,161.</u>			<u>89,161.</u>

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

CLEAR CHANNEL OUTDOOR	64,265.
GLOBAL SIGNAL ACQS II LLC	12,696.
CBS OUTDOOR	5,675.
LAMAR ADVERTISING OF COLLEGE STATION	3,075.
OTHER RENTALS	<u>3,450.</u>
	<u>89,161.</u>

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
PERSHING LLC - RUSSELL MUTUAL FUNDS	113,804.	113,804.
FIRST CLEARING LLC	21.	21.
TOTAL	113,825.	113,825.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ROYALTY INCOME - SOUTHERN MGMT	571.	571.
TOTALS	571.	571.

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES	8,500.	8,500.		
TOTALS	<u>8,500.</u>	<u>8,500.</u>		

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
BDO USA, LLP	24,214.	24,214.		
TOTALS	24,214.	24,214.		

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT MANAGEMENT FEES	33,841.	33,841.
TOTALS	33,841.	33,841.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
PROPERTY TAXES	35,380.	35,380.
DRAINAGE UTILITY TAXES	411.	411.
FOREIGN TAXES WITHHELD ON DIV	1,720.	1,720.
PRODUCTION TAXES - ROYALTIES	64.	64.
FEDERAL EXCISE TAX (2011)	1,437.	
TOTALS	39,012.	37,575.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
LAND MAINTENANCE	10,168.	10,168.
LIABILITY INSURANCE	2,351.	2,351.
HIGHWAY DEPT LICENSE	60.	60.
BANK CHARGES	428.	428.
POSTAL BOX	56.	56.
TOTALS	13,063.	13,063.

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID FEDERAL EXCISE TAXES	8,775.	8,775.
TOTALS	<u>8,775.</u>	<u>8,775.</u>

ATTACHMENT 9

FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
RUSSELL MUTUAL FUNDS (SCH ATT)	4,741,311.	4,386,171.
TOTALS	<u>4,741,311.</u>	<u>4,386,171.</u>

Portfolio Holdings

Quantity	Description	Market Price	Market Value
Mutual Funds 99.00% of Portfolio			
Mutual Funds			
57,484.246	RUSSELL GLOBAL EQUITY FUND CLASS S CUSIP: 782478119 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RGESX	8.0000	459,873.97
10,460.212	RUSSELL EMERGING-MARKETS FUND CL S CUSIP: 782493746 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: REMSX	16.1200	168,618.62
4,244.476	RUSSELL GLOBAL REAL ESTATE SECURITIES FUND CLASS S CUSIP: 782493761 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RRESX	32.7100	138,836.81
10,153.500	RUSSELL GLOBAL OPPORTUNISTIC CREDIT FUND CLASS S CUSIP: 782494199 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RGCSX	9.6600	98,082.81
14,331.369	RUSSELL GLOBAL INFRASTRUCTURE FUND CLASS S CUSIP: 782494256 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RGISX	10.0700	144,316.89
18,898.307	RUSSELL COMMODITY STRATEGIES FUND CLASS S CUSIP: 782494363 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RCCSX	9.5400	180,289.85
142,062.131	RUSSELL STRATEGIC BOND FUND CLASS S CUSIP: 782494454 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RFCTX	10.8900	1,547,056.61
20,907.497	RUSSELL INT'L DEVELOPED-MARKETS FUND CLASS S CUSIP: 782494488 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RINTX	26.8200	560,739.07
8,664.207	RUSSELL U.S. SMALL CAP EQUITY FUND CLASS S CUSIP: 782494520 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RLESX	21.8400	189,226.28
14,437.890	RUSSELL U.S. QUANTITATIVE EQUITY CLASS S CUSIP: 782494553 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: REQTX	29.6300	427,794.68
17,587.132	RUSSELL U.S. CORE EQUITY FUND CLASS S CUSIP: 782494587 Open End Fund Dividend Option: Reinvest; Capital Gains Option: Reinvest Security Identifier: RLJSX	26.8000	471,335.14
Total Mutual Funds.			\$4,386,170.73

ATTACHMENT 9A

ATTACHMENT 10

FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
RENTAL RECEIVABLE	1,058.	1,058.
TOTALS	<u>1,058.</u>	<u>1,058.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 11

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DANIEL DOMINGUEZ 1200 SMITH ST 16TH FLR HOUSTON, TX 77002	TRUSTEE 1.00	2,816.	0	0
JAY A. EPSTEIN 333 CLAY STREET, SUITE 4700 HOUSTON, TX 77002	TRUSTEE 1.00	0	0	0
GRAND TOTALS		2,816.	0	0

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

DANIEL DOMINGUEZ AND JAY EPSTEIN
P.O. BOX 1837
BELLAIRE, TX 77402-1837
713-659-6551

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

LETTER REQUESTING FUNDS OR ORAL PRESENTATION. INFORMATION SHOULD BE
SUPPLIED CONCERNING THE ORGANIZATION'S PURPOSE AND USE OF THE
REQUESTED FUNDS

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CENTRO FAMILIAR CRISTIANO 11000 DAIRY ASHFORD SUGARLAND, TX 77487	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	150,000.
JEWISH FAMILY SERVICE P.O. BOX 20528 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	180,000.
SEVEN ACRES JEWISH SENIOR CARE SERVICES 6200 N. BRAESWOOD HOUSTON, TX 77074	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	30,000.
HOLOCAUST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	6,200.
FOUNDATION FOR THE RETARDED 3550 WEST DALLAS HOUSTON, TX 77019	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
DR. MARNIE ROSE FOUNDATION 4550 POST OAK PLACE STE 100 HOUSTON, TX 77027	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TEXAS EQUUSEARCH P.O. BOX 395 DICKINSON, TX 77539	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	3,000.
ANIXTER CENTER 6610 NORTH CLARK ST CHICAGO, IL 60626	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
ANGEL FLIGHT SOUTH CENTRAL 4310 AMELIA EARHART DR ADDISON, TX 75001	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
ST JUDE'S CHILDREN'S HOSPITAL P.O. BOX 50 MEMPHIS, TN 38101	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
MAKE-A-WISH FOUNDATION OF AMERICA 3550 NORTH CENTRAL AVE STE 300 PHOENIX, AZ 85012	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
THE 100 CLUB, INC 5555 SAN FELIPE STE 520 HOUSTON, TX 77056	NONE	PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.

ATTACHMENT 14

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
THE LANCE ARMSTRONG FOUNDATION 2201 E. SIXTH STREET AUSTIN, TX 78702	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	25.
SIMON WISENTHAL CENTER 1399 SOUTH ROXBURY LOS ANGELES, CA 90035	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
HOUSTON LIVESTOCK SHOW AND RODEO P.O. BOX 20070 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
AISHAL HOUSE 1955 UNIVERSITY BLVD HOUSTON, TX 77030	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
STAR OF HOPE 6895 ARDMORE ST HOUSTON, TX 77054	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
JEWISH COMMUNITY CENTER 5601 SOUTH BRAESWOOD BLVD HOUSTON, TX 77096	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 14 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CONGREGATION ANSHAI TORAH 5501 WEST PARKER RD. PLANO, TX 75093	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	5,000.
TRUEFACED 8283 N. HAYDEN ROAD, STE 275 SCOTTSDALE, AZ 85258	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
THEATER UNDER THE STARS 800 BAGBY STE 200 HOUSTON, TX 77002	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.
HOPE MINISTRIES P.O. BOX 18120 ATLANTA, GA 30316	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
SECOND BAPTIST SCHOOL 6410 WOODWAY DRIVE HOUSTON, TX 77057	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
TOTAL CONTRIBUTIONS PAID			392,725.