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

2011

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation

JOHN & MILDRED HOLMES FAMILY FOUNDATION
C/O LEGACY TRUST CO.

A Employer identification number

31-1645204

Number and street (or P.O. box number if mail is not delivered to street address)

600 JEFFERSON

Room/suite

350

B Telephone number

713-651-8800

City or town, state, and ZIP code

HOUSTON, TX 77002

C If exemption application is pending, check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 1 Foreign organizations, check here ☐Foreign organizations meeting the 85% test,
2. check here and attach computation ☐

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationE If private foundation status was terminated
under section 507(b)(1)(A), check here ☐I Fair market value of all assets at end of year
(from Part II, col (c), line 16)

\$ 3,949,476.

J Accounting method ☒ Cash ☐ Accrual☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

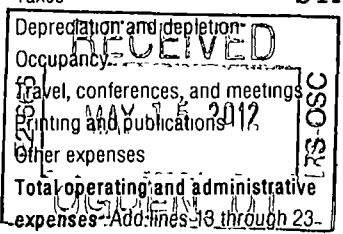
F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐

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))(a) Revenue and
expenses per books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable purposes
(cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received				
	2	Check ☒ if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	30,608.	30,608.		STATEMENT 1
	4	Dividends and interest from securities	116,198.	116,198.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-1,820.			
	b	Gross sales price for all assets on line 6a	66,573.			
	7	Capital gain net income (from Part IV, line 2)		0.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold					
c	Gross profit or (loss)					
11	Other income					
12	Total. Add lines 1 through 11	144,986.	146,806.	0.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees	STMT 3 495.	495.	0.	0.
	b	Accounting fees	STMT 4 2,250.	2,250.	0.	0.
	c	Other professional fees	STMT 5 6,444.	6,444.	0.	0.
	17	Interest				
	18	Taxes	STMT 6 273.	273.	0.	0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	12,384.	0.	0.	12,384.
	22	Printing and publications				
23	Other expenses					
24	Total operating and administrative expenses. Add lines 13 through 23.	21,846.	9,462.	0.	12,384.	
25	Contributions, gifts, grants paid	205,000.			205,000.	
26	Total expenses and disbursements. Add lines 24 and 25.	226,846.	9,462.	0.	217,384.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	-81,860.				
b	Net investment income (if negative, enter -0-)		137,344.			
c	Adjusted net income (if negative, enter -0-)			0.		

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	1,500.	1,500.	1,500.
	2 Savings and temporary cash investments	154,103.	140,746.	140,746.
	3 Accounts receivable ▶ 1,015.			
	Less: allowance for doubtful accounts ▶	1,125.	1,015.	1,015.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	2,158,857.	2,090,464.	3,806,215.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	2,315,585.	2,233,725.	3,949,476.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	1,848,417.	1,848,417.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	467,168.	385,308.		
30 Total net assets or fund balances	2,315,585.	2,233,725.		
31 Total liabilities and net assets/fund balances	2,315,585.	2,233,725.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,315,585.
2 Enter amount from Part I, line 27a	2	-81,860.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,233,725.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,233,725.

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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 2,000 SHS MORGAN STANLEY CAP PREF	P	02/06/07	04/26/11
b 1,000 SHS NEWS CORP INC-A	P	03/10/05	07/22/11
c BANK OF AMERICA SECURITIES LITIGATION	P	01/01/10	10/12/11
d MARSH MCLENNAN SECURITIES LITIGATION	P	01/01/10	11/15/11
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 48,784.		51,068.	-2,284.
b 16,310.		17,325.	-1,015.
c 15.			15.
d 1,464.			1,464.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			-2,284.
b			-1,015.
c			15.
d			1,464.
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	-1,820.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	208,909.	3,655,615.	.057147
2009	213,034.	3,395,101.	.062747
2008	226,304.	4,064,458.	.055679
2007	209,867.	4,236,824.	.049534
2006	201,342.	4,141,163.	.048620

2 Total of line 1, column (d)	2	.273727
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	.054745
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,898,014.
5 Multiply line 4 by line 3	5	213,397.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,373.
7 Add lines 5 and 6	7	214,770.
8 Enter qualifying distributions from Part XII, line 4	8	217,384.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,373.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,373.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,373.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,442.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,442.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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	69.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☒ 69. Refunded ☒	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☒ \$ 0. (2) On foundation managers. ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ 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

N/A

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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 ► <u>N/A</u>				
14	The books are in care of ► <u>JOE UNTERMEYER</u> Telephone no. ► <u>713-651-8800</u>			
Located at ► <u>600 JEFFERSON SUITE 350, HOUSTON, TX</u>		ZIP+4 ► <u>77002</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 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?	☐ Yes	☒ No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes	☒ No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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?	☐ Yes ☒ No	
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
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?	☐ Yes	☒ 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.)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)?

☐ Yes ☒ No

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

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

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

6b

X

If "Yes" to 6b, file Form 8870

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

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

0

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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	3,825,182.
b	Average of monthly cash balances	1b	131,178.
c	Fair market value of all other assets	1c	1,015.
d	Total (add lines 1a, b, and c)	1d	3,957,375.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,957,375.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	59,361.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,898,014.
6	Minimum investment return. Enter 5% of line 5	6	194,901.

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	194,901.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,373.
b	Income tax for 2011. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,373.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	193,528.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	193,528.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	193,528.

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	217,384.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	217,384.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,373.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	216,011.

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.

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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				193,528.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			92,313.	
b Total for prior years		0.		
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	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 217,384.				
a Applied to 2010, but not more than line 2a			92,313.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				125,071.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				68,457.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
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				

Form 990-PF (2011)

JOHN & MILDRED HOLMES FAMILY FOUNDATION

Form 990-PF (2011)

C/O, LEGACY TRUST CO.

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE STATEMENT A				205,000.
Total			3a	205,000.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2011)

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

SOURCE	AMOUNT
LEGACY TRUST COMPANY	30,608.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	30,608.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
LEGACY TRUST COMPANY	116,198.	0.	116,198.
TOTAL TO FM 990-PF, PART I, LN 4	116,198.	0.	116,198.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEE	495.	495.	0.	0.
TO FM 990-PF, PG 1, LN 16A	495.	495.	0.	0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	2,250.	2,250.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	2,250.	2,250.	0.	0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUSTEE FEE	6,369.	6,369.	0.	0.
INVESTMENT ADVISOR FEE	75.	75.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	6,444.	6,444.	0.	0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	273.	273.	0.	0.
TO FORM 990-PF, PG 1, LN 18	273.	273.	0.	0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT B	2,090,464.	3,806,215.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,090,464.	3,806,215.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 8
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ELEANOR JOHNSON C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
LUCY H. ORENS C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
JOE D. UNTERMEYER C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	SECRETARY / TREASURER 1.00	0.	0.	0.
CARTER CRITES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
BETTY HOLMES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	VICE PRESIDENT / DIRECTOR 1.00	0.	0.	0.
JOHN B. HOLMES, III C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
MILDRED H. BRIDGES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	PRESIDENT / DIRECTOR 1.00	0.	0.	0.
JENNIFER G. HOLMES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
KATHERINE CRITES C/O LEGACY TRUST 600 JEFFERSON #350 HOUSTON, TX 77002	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

2011 GRANT AWARDS
JOHN AND MILDRED HOLMES FOUNDATION

<u>Organization Name</u>	<u>Grant Description</u>	<u>Date Approved</u>	<u>Amount Grant</u>	<u>Amount Paid</u>	<u>Payment Date</u>
Bellville Volunteer Fire Dept. P.O. Box 1109 Bellville, TX 77418	General Use Kenney Station	4/16/2011	\$4,500	\$4,500	4/21/2011
Lifeworks 3700 South 1st St Austin, TX 78704	General Use	4/16/2011	\$12,500	\$12,500	4/28/2011
Ronald McDonald House-Austin 1315 Barbara Jordan Blvd. Austin, TX 78723	General Use	4/16/2011	\$8,000	\$8,000	4/26/2011
NOLS 284 Lincoln St. Lander, NY 82520-2848	Scholarships	4/16/2011	\$5,000	\$5,000	5/4/2011
The Murie Center P.O. Box 399 Moose, WY 82012	General Use	4/16/2011	\$20,000	\$20,000	5/2/2011
The Old Road Fund Box 494 St. Johns Antiqua W.I.	Scholarships	4/16/2011	\$5,000	\$5,000	5/28/2011
ASPCA 424 E. 92nd St. New York, NY 10128	General Use	4/16/2011	\$1,000	\$1,000	5/3/2011
Anders-Larson Tosch Fund P.O. Box 839 Woodstock, NY 12498	General Use	4/16/2011	\$9,000	\$9,000	4/28/2011
American Red Cross P.O. Box 4002018 Des Moines, IA 50340-2018	Japan Earthquake Relief	4/16/2011	\$20,000	\$20,000	5/23/2011

2011 GRANT AWARDS
JOHN AND MILDRED HOLMES FOUNDATION

<u>Organization Name</u>	<u>Grant Description</u>	<u>Date Approved</u>	<u>Amount Grant</u>	<u>Amount Paid</u>	<u>Payment Date</u>
Colorado Public Radio 7409 South Alton Court Centinuel, CO 80112	General Use	4/16/2011	\$2,500	\$2,500	5/2/2011
Dumb Friends League 2080 South Quebec St. Denver, CO 80231-3204	General Use	4/16/2011	\$2,500	\$2,500	5/4/2011
Seton Hospital Cancer Center 1201 West 38th St. Austin, TX 78701	General Use	4/16/2011	\$10,000	\$10,000	4/28/2011
Explore Austin 2121 Ceasar Chavez St. Austin, TX 78702	General Use	4/16/2011	\$5,000	\$5,000	4/26/2011
Hospice Austin 4107 Spicewood Springs Road #100 Austin, TX 78759	"Charity Cake"	4/16/2011	\$10,000	\$10,000	4/28/2011
San Francisco Zen Center 300 Page St. San Francisco, CA 94102	"Widening The Circle Campaign"	4/16/2011	\$25,000	\$25,000	5/4/2011
Developing Families Ctr., Inc. 801 17th St. N.E. Washington, D.C. 20002-7200	Founder's Fund	4/16/2011	\$11,000	\$11,000	5/16/2011
Center Modern Psychoanalytic Studies 16 West 10th St. New York, NY 10011	General use	4/16/2011	\$5,000	\$5,000	5/17/2011
New York Graduate School of Psychoanalysis 16 West 10th St. New York, NY 10011	General use	4/16/2011	\$5,000	\$5,000	5/17/2011

2011 GRANT AWARDS

JOHN AND MILDRED HOLMES FOUNDATION

<u>Organization Name</u>	<u>Grant Description</u>	<u>Date Approved</u>	<u>Amount Grant</u>	<u>Amount Paid</u>	<u>Payment Date</u>
Center for Group Studies 1841 Broadway, Suite 1118 New York, NY 10023	General Use	4/16/2011	\$5,000	\$5,000	5/10/2011
Group Psychotherapy Foundation 25 East 21st St., 6th Floor New York, NY 10010	General Use	4/16/2011	\$2,000	\$2,000	5/4/2011
American Group Psychotherapy Assoc. 25 East 21st St., 6th Floor New York, NY 10010	Tob Chuah Fienson Scholarship Fund	4/16/2011	\$2,000	\$2,000	5/4/2011
Global Giving Foundation, Inc. 1816 12th St. N.W. 3rd Floor Washington, D.C. 20009-4422	Girl Effect Fund	4/16/2011	\$10,000	\$10,000	5/11/2011
Young Life Eastern Sierra P.O. Box 7297 Mammoth Lakes, CA 93546	General Use	4/16/2011	\$5,000	\$5,000	5/10/2011
Mammoth Elementary Schol PTO P.O. Box 3971 Mammoth Lakes, CA 93546	General Use	4/16/2011	\$20,000	\$20,000	12/7/2011
			<u>\$205,000</u>	<u>\$205,000</u>	

LEGACY TRUST

A PRIVATE TRUST COMPANY

OTHER INVESTMENTS

56-0441-00	JOHN & MILDRED-HOLMES FAMILY FOUNDATION UNDER AGREEMENT DATED 3/19/99, LEGACY TRUST COMPANY, CUSTODIAN	AS OF 12/31/11	3
PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST
			EST. ANNUAL INCOME
			YLD AT MKT
FIXED INCOME - TAXABLE			
U.S. INCOME MUTUAL FUNDS-TAX			
31888.733	PIMCO TOTAL RETURN FUND	346,630.53	330,000.00
		11,448.06	3.30
	TOTAL	346,630.53	330,000.00
		11,448.06	3.30
	TOTAL FIXED INCOME - TAXABLE	346,630.53	330,000.00
		11,448.06	3.30
U. S. EQUITIES			
U.S. PREFERRED STOCK			
4000	BANK OF AMERICA CORP 8.200% PREFERRED CALLABLE	88,400.00	100,000.00
		8,200.00	9.28
2000	GENERAL ELEC CAP CORP PUBLIC INCOME NT-PINES 6.100 11/15/2032	51,440.00	50,420.00
		3,050.00	5.93

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00		JOHN & MILDRED-HOLMES FAMILY FOUNDATION UNDER AGREEMENT DATED 3/19/99. LEGACY TRUST COMPANY, CUSTODIAN		AS OF 12/31/11		4
PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT	
4000	GENERAL ELECTRIC CAPITAL CORP 6.5% PREFERRED	111,800.00	100,000.00	6,500.00	5.81	
2000	J P MORGAN CHASE CAP X TR PFD SECS 7%	51,100.00	51,028.00	3,500.00	6.85	
4000	JPM CHASE CAPITAL XXVI 8.000% PREFERRED DUE 05/15/2078 CALLABLE	103,600.00	100,000.00	8,000.00	7.72	
4000	JPMORGAN CHASE & CO DEPOSITARY SHS REPSTG 1/400 NON-CUM PREFERRED STOCK	110,400.00	100,000.00	8,624.00	7.81	
4000	WELLS FARGO CAPITAL XII 7.875% PREFERRED DUE 03/15/2068 CALLABLE	103,960.00	100,000.00	7,876.00	7.58	
TOTAL		620,700.00	601,448.00	45,750.00	7.37	

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

56-0441-00

JOHN & MILDRED-HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/11

5

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
U.S. COMMON STOCK					
5000	AT & T INC	151,200.00	23,672.52	8,800.00	5.82
1600	AUTOMATIC DATA PROCESSING INC	86,416.00	20,389.65	2,528.00	2.93
500	BANK AMER CORP	2,780.00	24,470.00	20.00	0.72
1000	BERKSHIRE HATHAWAY INC-CL B	76,300.00	55,560.00	0.00	0.00
400	BROADRIDGE FINL SOLUTIONS INC COM	9,020.00	2,320.35	256.00	2.84
500	CHEVRON CORPORATION	53,200.00	29,360.00	1,620.00	3.05
1000	COCA COLA CO	69,970.00	4,640.00	1,880.00	2.69
1000	CONOCOPHILLIPS	72,870.00	38,885.00	2,640.00	3.62
1000	EMERSON ELEC CO	46,590.00	30,245.00	1,600.00	3.43
3200	EXXON MOBIL CORP	271,232.00	14,396.94	6,016.00	2.22
6000	GENERAL ELEC CO	107,460.00	12,245.00	4,080.00	3.80
500	HOME DEPOT INC	21,020.00	19,814.00	580.00	2.76

LEGACY & TRUST

A PRIVATE TRUST COMPANY

56-0441-00

JOHN & MILORED~HOLMES FAMILY
FOUNDATION UNDER AGREEMENT
DATED 3/19/99, LEGACY TRUST
COMPANY, CUSTODIAN

AS OF 12/31/11

6

PRINCIPAL PORTFOLIO

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD. AT MKT
1700	J.P. MORGAN CHASE & CO	56,525.00	27,521.62	1,700.00	3.01
3500	JOHNSON & JOHNSON	229,530.00	38,456.25	7,980.00	3.48
1000	MARSH & MCLENNAN COS INC	31,620.00	48,630.00	880.00	2.78
2500	MCDONALDS CORP	250,825.00	18,364.96	7,000.00	2.79
1000	MCGRAW HILL COMPANIES INC	44,970.00	26,487.50	1,000.00	2.22
1000	MICROSOFT CORP	25,960.00	42,643.75	800.00	3.08
1500	PEPSICO INC	99,525.00	16,567.52	3,090.00	3.10
1000	PFIZER INC	21,640.00	36,270.00	880.00	4.07
800	PROCTER & GAMBLE CO	53,368.00	6,530.89	1,680.00	3.15
3000	SYSCO CORP	87,990.00	9,920.98	3,240.00	3.68
1500	THE HERSHEY COMPANY	92,670.00	11,138.12	2,070.00	2.23
500	UNITED PARCEL SERVICE INC	36,595.00	28,625.00	1,040.00	2.84
4500	WAL MART STORES INC	268,920.00	13,283.43	6,570.00	2.44
5500	WALGREEN CO	181,830.00	15,522.09	4,950.00	2.72

LEGACY TRUST

A PRIVATE TRUST COMPANY

PRINCIPAL PORTFOLIO

PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT
56-0441-00	JOHN & MILDRED HOLMES FAMILY FOUNDATION UNDER AGREEMENT DATED 3/19/99, LEGACY TRUST COMPANY, CUSTODIAN		AS OF 12/31/11		7
	TOTAL	2,450,026.00	615,960.57	72,900.00	2.98
	TOTAL U. S. EQUITIES	3,070,726.00	1,217,408.57	118,650.00	3.86
	FOREIGN EQUITIES				
	FOREIGN PREFERRED STOCK				
4000	BARCLAYS BK PLC SPONSORED ADR PREF SHS SER 5 8.125	89,120.00	100,000.00	8,124.00	9.12
	TOTAL	89,120.00	100,000.00	8,124.00	9.12
	FOREIGN COMMON STOCK				
708	HSBC HLDGS PLC SPONSORED ADR NEW	26,974.80	43,055.41	1,380.60	5.12
	TOTAL	26,974.80	43,055.41	1,380.60	5.12

LEGACY TRUST
A PRIVATE TRUST COMPANYPRINCIPAL PORTFOLIO

56-0441-00	JOHN & MILDRED HOLMES FAMILY FOUNDATION UNDER AGREEMENT DATED 3/19/99, LEGACY TRUST COMPANY, CUSTODIAN	AS OF 12/31/11	8			
PAR VALUE/ SHARES	DESCRIPTION	MARKET	COST	EST. ANNUAL INCOME	YLD AT MKT	
FOREIGN MUTUAL FUNDS						
22266.388	MORGAN STANLEY INSTITUTIONAL FUND INTERNATIONAL EQUITY PORTFOLIO	272,763.25	400,000.00	0.00	0.00	
	TOTAL	272,763.25	400,000.00	0.00	0.00	
	TOTAL FOREIGN EQUITIES	388,858.05	543,055.41	9,504.60	2.44	
TOTAL INVESTMENTS		3,806,214.58	2,090,463.98			