



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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 01-01-2011 , and ending 12-31-2011

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
AI AND MANET SCHEPPS FOUNDATION

% NANCY BRAND

Number and street (or P O box number if mail is not delivered to street address)
PO BOX 539

City or town, state, and ZIP code
BELLAIRE, TX 774020539

A Employer identification number
74-6050262

B Telephone number (see page 10 of the instructions)
(713) 668-3029

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 6,248,566

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	120,000			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	13	13		
	4 Dividends and interest from securities.	286,624	279,364		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	4,474			
	b Gross sales price for all assets on line 6a 1,841,898				
	7 Capital gain net income (from Part IV , line 2)		4,474		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	-8,566	-6,036		
	12 Total. Add lines 1 through 11	402,545	277,815		
	13 Compensation of officers, directors, trustees, etc	78,000			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).	9,609	0	0	9,609
	b Accounting fees (attach schedule).	10,653	5,326	0	5,327
	c Other professional fees (attach schedule)	40,867	40,867		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	2,592	246		69
	19 Depreciation (attach schedule) and depletion . . .	310			
	20 Occupancy	7,800			7,800
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	18,048	8,055		9,993
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	167,879	54,494	0	32,798
	25 Contributions, gifts, grants paid	251,478			251,478
	26 Total expenses and disbursements. Add lines 24 and 25	419,357	54,494	0	284,276
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-16,812			
	b Net investment income (if negative, enter -0-)		223,321		
	c Adjusted net income (if negative, enter -0-)				

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	306,344	659,058	659,058
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ <u>0</u>			
		Less allowance for doubtful accounts ▶ <u></u>	114,354	0	0
	4	Pledges receivable ▶ <u></u>			
		Less allowance for doubtful accounts ▶ <u></u>			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ <u></u>			
		Less allowance for doubtful accounts ▶ <u></u>			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	9,377	9,377	9,377
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	165,842	165,842	165,842
	c	Investments—corporate bonds (attach schedule).			
	11	Investments—land, buildings, and equipment basis ▶ <u></u>			
	Less accumulated depreciation (attach schedule) ▶ <u></u>				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	5,098,236	4,841,702	5,413,047	
14	Land, buildings, and equipment basis ▶ <u>1,552</u>				
	Less accumulated depreciation (attach schedule) ▶ <u>310</u>	0	1,242	1,242	
15	Other assets (describe ▶ <u></u>)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	5,694,153	5,677,221	6,248,566	
Liabilities	17	Accounts payable and accrued expenses	1,378	1,258	
	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 ▶ <u></u>)			
	23	Total liabilities (add lines 17 through 22)	1,378	1,258	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	5,692,775	5,675,963	
	30	Total net assets or fund balances (see page 17 of the instructions)	5,692,775	5,675,963	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	5,694,153	5,677,221	

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	5,692,775
2	Enter amount from Part I, line 27a	2	-16,812
3	Other increases not included in line 2 (itemize) ▶ <u></u>	3	
4	Add lines 1, 2, and 3	4	5,675,963
5	Decreases not included in line 2 (itemize) ▶ <u></u>	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	5,675,963

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 Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
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	4,474
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	577,457	6,404,163	0 090169
2009	385,634	6,147,066	0 062735
2008	325,955	6,892,224	0 047293
2007	292,082	6,645,518	0 043952
2006	210,027	6,069,124	0 034606

2	Total of line 1, column (d).	2	0 278755
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 055751
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	6,182,626
5	Multiply line 4 by line 3.	5	344,688
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,233
7	Add lines 5 and 6.	7	346,921
8	Enter qualifying distributions from Part XII, line 4.	8	284,276

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See
the Part VI instructions on page 18

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









1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	4,466
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	4,466
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	4,466
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	7,100	
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	7,100
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	2,634
11		Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> 2,634	Refunded <input type="checkbox"/>	11	

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>	1b		No
c	Did the foundation file Form 1120-POL for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2		No
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? <i>If "Yes," attach a conformed copy of the changes</i>	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		No
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?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> TX _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>	8b	Yes	
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 on page 27)? <i>If "Yes," complete Part XIV</i>	9		No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10		No
























Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address  N/A	13	Yes	
14	The books are in care of  NANCY BRAND Telephone no  (713) 993-1585 Located at  4719 LAUREL Bellaire TX ZIP +4  77401			
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?		Yes	No
		16		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 				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person?  Yes  No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?.  Yes  No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?.  Yes  No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days).  Yes  No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?.  Organizations relying on a current notice regarding disaster assistance check here. 	1b		No
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		No
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 If "Yes," list the years  20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions). 	2b		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here  20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?.  Yes  No			
b	If "Yes," did it have excess business holdings in 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>). 	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	<input type="checkbox"/>	5b	
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>		6b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Additional Data Table				
2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Total number of other employees paid over \$50,000.				

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
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	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3.	

Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	5,779,471
b	Average of monthly cash balances.	1b	497,307
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	6,276,778
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	0
3	Subtract line 2 from line 1d.	3	6,276,778
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	94,152
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	6,182,626
6	Minimum investment return. Enter 5% of line 5.	6	309,131

Part XI

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

1	Minimum investment return from Part X, line 6.	1	309,131
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	4,466
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	4,466
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	304,665
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	304,665
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	304,665

Part XII

Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	284,276
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	284,276
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	284,276
Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years			

Part XIII

Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7				304,665
2	Undistributed income, if any, as of the end of 2011				
a	Enter amount for 2010 only.			0	
b	Total for prior years 2009 , 2008 , 2007				
3	Excess distributions carryover, if any, to 2011				
a	From 2006.				
b	From 2007.				
c	From 2008.				
d	From 2009.				0
e	From 2010.				16,476
f	Total of lines 3a through e.	16,476			
4	Qualifying distributions for 2011 from Part XII, line 4 ➤ \$ 284,276				
a	Applied to 2010, but not more than line 2a			0	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .				
d	Applied to 2011 distributable amount.				284,276
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).)	16,476			16,476
6	Enter the net total of each column as indicated below:				
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 page 27 of the instructions . . .				
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				3,913
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).				
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions).				
9	Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
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. . . .				

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

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1

Information Regarding Foundation Managers:

a

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

b

List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2

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

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

a

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

b

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

c

Any submission deadlines

d

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

Part XV

Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	251,478
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments. . . .					
3	Interest on savings and temporary cash investments			14	13	
4	Dividends and interest from securities. . . .			14	286,624	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.					
6	Net rental income or (loss) from personal property					
7	Other investment income.					
8	Gain or (loss) from sales of assets other than inventory			18	4,474	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory. .					
11	Other revenue a <u>ORDINARY INCOME (LOSS)</u>			01	-8,566	
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal Add columns (b), (d), and (e). .				282,545	
13	Total. Add line 12, columns (b), (d), and (e).			13		282,545

[illegible]

Part XVII

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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash.	1a(1)		No
	(2) Other assets.	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

[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	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge				
***** Signature of officer or trustee		2012-11-13 Date	***** Title	
Paid Preparer's Use Only	Preparer's Signature		Date	PTIN
	Firm's name BRIGGS & VESELKA CO PC 9 GREENWAY PLAZA SUITE 1700		Firm's EIN	
	Firm's address HOUSTON, TX 770460946		Phone no (713) 667-9147	

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
ML 7203 - ST - TAXPAYER MAINTAINS DETAILS	P		
ML 7203 - LT - TAXPAYER MAINTAINS DETAILS	P		
ML 7203 - ST - TAXPAYER MAINTAINS DETAILS	P		
ML 4002 - ST - TAXPAYER MAINTAINS DETAILS	P		
ML 4002 - LT - TAXPAYER MAINTAINS DETAILS	P		
POWERSHARES DB STRADDLES	P		
THE ENDOWMENT FUND	P		
ISRAELI BONDS	P		
CAPITAL GAIN DIVIDENDS	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
62,151		58,912	3,239
40,698		39,854	844
154,411		154,411	
556,579		576,368	-19,789
808,292		791,581	16,711
0		1,944	-1,944
114,353		114,354	-1
100,000		100,000	
			5,414


Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			3,239
			844
			-19,789
			16,711
			-1,944
			-1

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN RED CROSSPO BOX 201014 HOUSTON,TX 772160001	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,000
B'NAI ISRAELPO BOX 8060 GALVESTON,TX 77553	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,000
CONGREGATION BETH YESHURUN 4525 BEECHNUT HOUSTON,TX 77096	NONE	PUBLIC CHARITY	RELIGIOUS PURPOSE	7,957
AMERICAN CANCER SOCIETY 6301 RICHMOND AVE HOUSTON,TX 77057	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	70
HOLOCAUST MUSEUM OF HOUSTONMORGAN FAMILY CENTER 5401 CAROLINE STREET HOUSTON,TX 770046804	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,500
JEWISH FEDERATION5603 S BRAESWOOD HOUSTON,TX 77096	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	236
LEUKEMIA & LYMPHOMA SOCIETY 5005 MITCHELLDALE 15 HOUSTON,TX 77092	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	100
CADE R ALPARD FDN FOR PEDIATRIC LIVER DISEASEPO BOX 19376 HOUSTON,TX 772249376	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	250
ASSOCIATION OF SMALL FOUNDATIONSP.O BOX 247 WINOOSK,VT 05404	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,190
NATIONAL MS SOCIETYPO BOX 4125 HOUSTON,TX 77210	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	400
SEVEN ACRES6200 NORTH BRAESWOOD HOUSTON,TX 77074	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,100
TEXAS A&M HILLEL FOUNDATION 800 GEORGE BUSH DRIVE COLLEGE STATION,TX 77840	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	223,600
SAVE ELLIS ISLANDPO BOX 96389 WASHINGTON,DC 20077	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	150
PINK RIBBON PROJECT2449 SOUTH BLVD 100 HOUSTON,TX 75240	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	250
COUNCIL FOR PROFESSIONAL RECOGNITION2460 16TH STREET NW WASHINGTON,DC 20099	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	325
AMERICAN ASSOCIATION - BEN GURION UNIVERSITYPO BOX 170305 MILWAUKEE,WI 53217	NONE	PUBLIC CHARITY	CHARITABLE PURPOSES	1,000
AISHEL HOUSE - CHABAD CENTER1955 UNIVERSITY HOUSTON,TX 50000	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
CHABAD OUTREACH FOR JEWISH INMATE SERVICES11000 FONDREN HOUSTON,TX 77096	NONE	PUBLIC CHARITY	CHARITABLE PURPOSES	500
100 CLUB5555 SAN FELIPE 520 HOUSTON,TX 77056	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	100
CRIME STOPPERSPO BOX 541654 HOUSTON,TX 77254	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
DEPELCHIN CHILDRENS CENTER 4950 MEMORIAL HOUSTON,TX 77007	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
GOODWILL INDUSTRIES10795 HAMMERLY HOUSTON,TX 77043	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
EPISCOPAL HIGH SCHOOLPO BOX 271299 HOSUTON,TX 77277	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
HELENE G SIMON HILLEL CENTER 730 E 3RD BLOOMINGTON,IN 47401	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
HOUSTON HILLEL1700 BISSONNET HOUSTON,TX 77005	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
HOUSTON HOSPICE1905 HOLCOMBE BLVD HOUSTON,TX 77030	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
JEWISH CHILDRENS REGIONAL SERVICEPO BOX 7368 METAIRIE,LA 70010	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
MAKE-A-WISH FOUNDATION1604 BISSONNET HOUSTON,TX 77005	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
MARINE TOYS FOR TOTSP.O BOX 4002896 DES MOINES,IA 50340	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
SALVATION ARMYPO BOX 203781 HOUSTON,TX 77216	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SOUTH TEXAS COLLEGE OF LAW 1602 SAN JACINTO HOUSTON,TX 77002	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
SUSAN G KOMEN FOR THE CUREPO BOX 96216 WASHINGTON,DC 20090	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
TEXAS EQUUSEARCHPO BOX 395 DICKINSON,TX 77539	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
USOPO BOX 96860 WASHINGTON,DC 200777677	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
WEIZMANN INSTITUTE633 THIRD AVENUE NEWYORK,NY 10017	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
STAR OF HOPE HOMELESS SHELTER6897 ARDMORE HOUSTON,TX 77054	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
NATIONAL PARK FUNDPO BOX 17394 BALTIMORE,MD 21298	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	50
SOCIETY OF SAMARITANS FOOD PANTRY31355 FRIENDSHIP DR 500 MAGNOLIA,TX 77355	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	1,000
TULANE UNIVERSITYPO BOX 64075 NEWORLEANS,LA 70161	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	500
GOODFELLOWS801 TEXAS HOUSTON,TX 77002	NONE	PUBLIC CHARITY	CHARITABLE PURPOSE	200
Total  3a				251,478

TY 2011 Accounting Fees Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	10,653	5,326		5,327

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Depreciation Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
COMPUTER	2011-08-16	1,552		M5		310			

TY 2011 Investments Corporate Stock Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CENTRAL NATIONAL BANK	65,842	65,842
COMMUNITY NATIONAL BANK	100,000	100,000

TY 2011 Investments - Other Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
FIDELITY INVESTMENTS-FUNDS		266,456	289,284
ISRAELI BONDS		325,000	325,000
MERRILL LYNCH BOND FUND-BONDS		0	0
MERRILL LYNCH BROKERAGE-FUNDS		4,225,188	4,773,705
PTP - COPANO		9,176	9,176
PTP - POWERSHARES		15,882	15,882

TY 2011 Land, Etc. Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
COMPUTER	1,552	310	1,242	

TY 2011 Legal Fees Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL	9,609			9,609

TY 2011 Other Expenses Schedule**Name:** AI AND MANET SCHEPPS FOUNDATION**EIN:** 74-6050262

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK SERVICE FEES	2			2
COMMUNICATION EXPENSE	1,006			1,006
DUES & SUBSCRIPTIONS	574			574
PAYROLL TAX EXPENSES	5,967			5,967
INSURANCE	506			506
TELEPHONE	1,086			1,086
POSTAGE	241			241
SUPPLIES	611			611
BOND AMORTIZATIONS	8,055	8,055		

TY 2011 Other Income Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ORDINARY INCOME (LOSS)- Copano Energy	-6,036	-6,036	
Non-taxable income (loss)	-2,530	0	

TY 2011 Other Professional Fees Schedule

Name: AI AND MANET SCHEPPS FOUNDATION

EIN: 74-6050262

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKERAGE FEES	40,867	40,867		

TY 2011 Taxes Schedule**Name:** AI AND MANET SCHEPPS FOUNDATION**EIN:** 74-6050262

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	246	246		
PROPERTY TAXES	69			69
FEDERAL TAXES	2,277			

Additional Data

Software ID:
Software Version:
EIN: 74-6050262
Name: AI AND MANET SCHEPPS FOUNDATION

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part VIII Line 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
NANCY BRAND 4719 LAUREL BELLAIRE, TX 77401	PRESIDENT 50	78,000	0	0
GILDA SPRUNG 3388 SAGE RD HOUSTON, TX 77056	DIRECTOR 0	0		
CARY ROBINSON 4723 BRAESVALLEY HOUSTON, TX 77096	DIRECTOR 0	0		
SCOTT SCHEPPS 4530 PARK CT BELLAIRE, TX 77401	DIRECTOR 0	0		
JENNIFER BRAND 5636 INNSBRUCK BELLAIRE, TX 77401	DIRECTOR 0	0		
MELISSA SCHEPPS 4408 VALERIE BELLAIRE, TX 77401	DIRECTOR 0	0		