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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2011**Department of the Treasury
Internal Revenue Service

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

For calendar year 2011, or tax year beginning Jul 1, 2011, and ending Jun 30, 2012

Name of foundation ADLER FOUNDATION		A Employer identification number 76-0001183
Number and street (or P O box number if mail is not delivered to street address) 4899 MONTROSE BLVD	Room/suite 1312	B Telephone number (see the instructions) (713) 524-7777
City or town HOUSTON	State ZIP code TX 77006-6169	C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial Return of a former public charity ☐ Amended return ☐ Name change		D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, 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 foundation		E 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, column (c), line 16) \$ 4,947,629.	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 II 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)
REVENUE	1 Contributions, gifts, grants, etc. received (att sch)				
	2 Ck ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	3,817.	3,817.		
	4 Dividends and interest from securities	91,817.	91,817.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	4,019.			
	b Gross sales price for all assets on line 6a	170,175.			
	7 Capital gain net income (from Part IV, line 2)		4,019.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit (loss) (att sch)					
11 Other income (attach schedule) See Line 11 Stmt	-54,220.				
12 Total. Add lines 1 through 11	45,433.	99,653.	0.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) L-16b Stmt	5,376.	2,688.		2,688.
	c Other prof fees (attach sch)				
	17 Interest	615.	615.		
	18 Taxes (attach schedule)(see instrs) FOREIGN TAX WITHH	898.	898.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	195.	195.			
24 Total operating and administrative expenses. Add lines 13 through 23	7,084.	4,396.		2,688.	
25 Contributions, gifts, grants paid	200,793.			200,793.	
26 Total expenses and disbursements. Add lines 24 and 25	207,877.	4,396.		203,481.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-162,444.				
b Net investment income (if negative, enter -0-)		95,257.			
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 (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash – non-interest-bearing	1,500.	2,533.	2,533.
	2 Savings and temporary cash investments	15,275.	38,306.	38,306.
	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 sch)			
	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 (attach schedule)			
	b Investments – corporate stock (attach schedule) L-10b Stmt	1,007,566.	897,233.	2,879,790.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule) L-13 Stmt	238,500.	158,855.	2,027,000.	
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe _____)				
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item i)	1,262,841.	1,096,927.	4,947,629.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe _____)			
	23 Total liabilities (add lines 17 through 22)			
N E T A S S E T S O R F U N D B A L A N C E S	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			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,262,841.	1,096,927.	
	30 Total net assets or fund balances (see instructions)	1,262,841.	1,096,927.	
	31 Total liabilities and net assets/fund balances (see instructions)	1,262,841.	1,096,927.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,262,841.
2 Enter amount from Part I, line 27a	2	-162,444.
3 Other increases not included in line 2 (itemize) ▶ ROUNDING	3	1.
4 Add lines 1, 2, and 3	4	1,100,398.
5 Decreases not included in line 2 (itemize) ▶ See Other Decreases Stmt	5	3,471.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,096,927.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a ALTRIA GROUP INC 1500SHS		P	06/20/06	01/04/12
b BANCO SANTANDER SA FRAC SHARE		P	10/14/11	11/10/11
c BANCO SANTANDER SA FRAC SHARE		P	01/03/12	02/08/12
d BANCO SANTANDER SA FRAC SHARE		P	04/12/12	05/09/12
e See Columns (a) thru (d)				

(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 42,483.		25,122.	17,361.
b 6.		0.	6.
c 1.		0.	1.
d 5.		0.	5.
e See Columns (e) thru (d)		141,034.	-13,354.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			17,361.
b			6.
c			1.
d			5.
e See Columns (i) thru (l)			-13,354.

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	4,019.
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	-36,467.

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 (column (b) divided by column (c))
2010	188,679.	4,338,370.	0.043491
2009	158,556.	3,600,584.	0.044036
2008	211,133.	3,196,921.	0.066043
2007	199,055.	4,279,752.	0.046511
2006	157,775.	4,114,400.	0.038347

2 Total of line 1, column (d)	2	0.238428
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	0.047686
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	4,716,270.
5 Multiply line 4 by line 3	5	224,900.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	953.
7 Add lines 5 and 6	7	225,853.
8 Enter qualifying distributions from Part XII, line 4	8	203,481.

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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Form 990-PF (2011)

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 ☐ and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	1,905.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	1,905.
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	1,905.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	2,400.	
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	2,400.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	0.	
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	495.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax 495. Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 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 \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
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
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) TX - Texas		
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

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Form 990-PF (2011)

Part VIIA 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? Website address N/A	13	X	
14	The books are in care of LOUIS K. ADLER Telephone no (713) 524-7777 Located at 4899 MONTROSE BLVD #1312 HOUSTON TX ZIP + 4 77006-6169			
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			
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
1 a 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)? Organizations relying on a current notice regarding disaster assistance check here ☒	1 b	
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?	1 c	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? If 'Yes,' list the years 20__ , 20__ , 20__ , 20__	☐ 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.)	2 b	
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__		
3 a 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)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

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Form 990-PF (2011)

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

☐ Yes ☒ No**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?**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
LOUIS K. ADLER 4899 MONTROSE BLVD #1312 HOUSTON TX 77006	PRES & TREAS 1.00	0.	0.	0.
GAIL F. ADLER 4899 MONTROSE BLVD #1312 HOUSTON TX 77006	V. PRES & SEC 1.00	0.	0.	0.
MARC F. ADLER 4899 MONTROSE BLVD #1312 HOUSTON TX 77006	TRUSTEE 1.00	0.	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
NO PAID EMPLOYEES				
0				
0				
0				
0				

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

▶

NONE

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Form 990-PF (2011)

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 instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NO PAID PROFESSIONAL SERVICES OVER \$50,000.00		
		N/A

Total number of others receiving over \$50,000 for professional services

NONE**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 NONE	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see 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 instructions	
3	
Total. Add lines 1 through 3	

BAAForm **990-PF** (2011)

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	4,772,553.
b Average of monthly cash balances	1b	15,538.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	4,788,091.
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	4,788,091.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	71,821.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,716,270.
6 Minimum investment return. Enter 5% of line 5	6	235,814.

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	235,814.
2a Tax on investment income for 2011 from Part VI, line 5	2a	1,905.
b Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,905.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	233,909.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	233,909.
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	233,909.

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	203,481.
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	203,481.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	203,481.

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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Form 990-PF (2011)

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				233,909.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			200,578.	
b Total for prior years: 20 10 , 20 09 , 20 08		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006	0.			
b From 2007	0.			
c From 2008	0.			
d From 2009	0.			
e From 2010	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4. ▶ \$ 203,481.				
a Applied to 2010, but not more than line 2a			200,578.	
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				2,903.
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))				
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				
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 instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				231,006.
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)	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	0.			
b Excess from 2008	0.			
c Excess from 2009	0.			
d Excess from 2010	0.			
e Excess from 2011	0.			

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Form 990-PF (2011)

N/A

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

(4) Gross investment income

[illegible]

Part XV **Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see instructions.)

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).)

LOUIS K. AND GAIL F. ADLER

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

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:

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

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 ATTACHMENT	SEE ATTACHMENT	N/A	SEE ATTACHMENT	200,793.
Total				200,793.
b Approved for future payment				
UNIV OF TX.HEALTH SCIENCE CENTER	SEE ATTACHMENT	N/A	SEE ATTACHMENT	
PO BOX 20036				
HOUSTON TX 77225				5,000.
HOUSTON BALLET FOUNDATION	SEE ATTACHMENT	N/A	SEE ATTACHMENT	
601 PRESTON STREET				
HOUSTON TX 77002				34,000.
EPISCOPAL HIGH SCHOOL	SEE ATTACHMENT	N/A	SEE ATTACHMENT	
4650 BISSENET				
BELLAIRE TX 77401				80,000.
Total				119,000.

(See worksheet in line 13 instructions to verify calculations)

BAA TEEA0502 07/14/11 Form 990-PF (2011)

- ▶ Attach to return

Name

Employer Identification No

[illegible]

Additional Information

ATTACHMENT TO FORM 990-PF FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PART XV- SUPPLEMENTARY INFORMATION

**NOTE 1: THE CONTRIBUTIONS LISTED WERE MADE FOR THE GENERAL PURPOSES INHERENT
IN THE NAMES & ACTIVITIES OF THE DONEE ORGANIZATIONS, WITHOUT ANY
RESTRICTION WHATEVER UPON OR SPECIFIC DESIGNATION OF THE APPLICATIONS
OF THE PROCEEDS OF THE CONTRIBUTIONS BY THE DONOR ORGANIZATION.**

**NOTE 2: THE DONEE ORGANIZATIONS LISTED ARE NOT RELATED BY BLOOD, MARRIAGE,
ADOPTION, EMPLOYMENT OR OTHERWISE TO ANY PERSON HAVING AN INTEREST
IN THE DONOR ORGANIZATION.**

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
K-1 BOARDWALK PIPELINE PARTNERS	-2,019.		
K-1 EL PASO PIPELINE PARTNERS LP	-1,439.		
K-1 ENBRIDGE ENERGY PARTNERS LP	-1,610.		
K-1 ENTERPRISE PRODUCTS PARTNERS	-22,743.		
K-1 KINDER MORGAN ENERGY PARTNER	-16,249.		
K-1 LINN ENERGY LLC	-6,541.		
K-1 MUSTAR GP HOLDINGS LLC	-1,598.		
K-1 WILLIAMS PARTNERS LP	-2,021.		
Total	<u>-54,220.</u>		

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
NEUBERGER BERMAN LLC INVESTMENT	163.	163.		
TIM PARTICIPACOES SA	5.	5.		
DUES	15.	15.		
K-1 BROOKFIELD INFRASTRUCTURE	12.	12.		
Total	<u>195.</u>	<u>195.</u>		

Form 990-PF, Page 2, Part III, Line 5

Other Decreases Stmt

NONDEDUCTIBLE EXPENSES	348.
FORM 990 PF ESTIMATED TAXES	3,123.
Total	<u>3,471.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
COMPANHIA BRASILEIRA DE 300SHS	P	02/15/11	11/01/11
TIM PARTICIPACOES SA FRAC SHARE	P	07/14/11	08/18/11
KINDER MORGAN ENERGY PARTNERS LP	P	09/27/01	12/31/11
K-1 BOARDWALK PIPELINE PARTNERS LP	P	02/28/08	12/31/11
K-1 BROOKFIELD INFRASTRUCTURE PARTNERS LP	P	01/01/11	12/31/11
K-1 ENTERPRISE PRODUCTS PTRS LP	P	08/05/04	12/31/11
K-1 WILLIAMS PARTNERS LP	P	11/25/09	12/31/11
BANCO SANTANDER SA 2000SHS	P	08/17/10	06/25/12
BANK NY MELLON CORP 1000SHS	P	11/20/03	06/25/12
ISHARES TR FTSE CHINA 25 INDEX 1000SHS	P	02/06/09	06/26/12
YPF SOCIEDAD ANONIMA 1500SHS	P	01/04/12	06/25/12

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income
Columns (e) thru (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)
11,104.		11,112.	-8.
8.		0.	8.
33,157.		0.	33,157.
159.		0.	159.
11.		0.	11.
1,944.		0.	1,944.
2.		0.	2.
11,684.		19,647.	-7,963.
20,612.		28,390.	-7,778.
32,201.		28,597.	3,604.
16,798.		53,288.	-36,490.
Total		141,034.	-13,354.

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

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			-8.
			8.
			33,157.
			159.
			11.
			1,944.
			2.
			-7,963.
			-7,778.
			3,604.
			-36,490.
Total			-13,354.

Form 990-PF, Page 12, Part XVI-A, Line 11
Other Revenue Stmt

Other revenue:	Business code	Amount	Excl- usion code	Amount	Related/exempt function income
K-1 KINDER MORGAN ENERGY PARTN	900000	-16,249.			
K-1 LINN ENERGY LLC	900000	-6,541.			
K-1 MUSTAR GP HOLDINGS LLC	900000	-1,598.			
K-1 WILLIAMS PARTNERS LP	900000	-2,021.			
THE ABOVE ARE PUBLICLY TRADED					

Form 990-PF, Page 12, Part XVI-A, Line 11

Continued

Other Revenue Stmt

Other revenue:	Business code	Amount	Excl- usion code	Amount	Related/exempt function income
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Totals -26,409.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ELAINE JONES TAX & B	BOOKKEEPING SERVICE	5,376.			

Total 5,376.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
AET+D HOLDING NO 1 LIMITED 9000SHS	0.	0.
BANCO SANTANDER SA 1919SHS	18,746.	12,589.
CHEVRON CORPORATIN 4000SHS	71,708.	422,000.
CITIGROUP CAP XII 1100SHS	28,479.	27,566.
CITIGROUP INC 670SHS	21,105.	18,365.
CLECO CORP HLDGS 20000SHS	124,028.	836,600.
COCA COLA CO 4000SHS	20,484.	312,760.
CONOCOPHILLIPS 400SHS	18,061.	22,352.
EXXON MOBIL CORP 6000SHS	138,139.	513,420.
GENERAL ELECTRIC CO 4950SHS	28,785.	103,158.
ISHARES TR FTSE CHINA 25 INDEX 2000SHS	51,885.	67,330.
MACK-CALI REALTY CORP 1500SHS	54,659.	43,605.
OCCIDENTAL PETE CORP 1400SHS	68,403.	120,078.
PETROLEO BRASILEIRO SA 4000SHS	92,380.	72,560.
PHILIP MORRIS INTERNATIONAL INC 2500SHS	106,514.	218,150.
PHILLIPS 66 200SHS	5,695.	6,648.
STARWOOD PROPERTY TRUST INC 1350SHS	26,636.	28,769.
TELEFONICA BRASIL SA 571SHS	2,536.	14,127.
TIM PARTICIPACOES SA 420SHS	0.	11,533.
VODAFONE GROUP PLC 1000SHS	18,990.	28,180.
Total	<u><u>897,233.</u></u>	<u><u>2,879,790.</u></u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
KINDER MORGAN ENERGY PARTNERS L.P. 7100 UNITS	-117,378.	557,918.
EL PASO PIPELINE PARTNERS LP 1200 UNITS	38,256.	40,560.
ENTERPRISE PRODUCTS PRODUCTS PARTNERS LP 21000 UNITS	88,176.	1,076,040.
ENBRIDGE ENERGY PARTNERS LP 2000 UNITS	27,401.	61,540.
BOARDWALK PIPELINE PARTNERS LP 1700 UNITS	24,898.	46,971.
LINN ENERGY LLC 3000 UNITS	23,620.	114,300.
BROOKFIELD INFRASTRUCTURE PARTNERS LP 2160 UNITS	24,734.	72,511.
NUSTAR GP HOLDINGS LLC 1000 UNITS	30,224.	31,040.
WILLIAMS PARTNERS LP 500 UNITS	18,924.	26,120.
Total	<u>158,855.</u>	<u>2,027,000.</u>

Part XV-Item 3(a)-Contributions Paid

American Cancer Society	2433 Ridgepoint Dr A	Austin, TX 78754	71 00
American Festival for The Arts	3311 Richmond Ave Ste 350	Houston, TX 77098	250 00
American Heart Association	7272 Greenville Ave	Dallas TX 75231	250 00
Atlanta Film Festival	Six Piedmont Center Suite 510	Atlanta GA 30305	8 750 00
Atlanta Humane Society	981 Howell Mill Rd, NW	Atlanta GA 30318	20 00
Asia Society	1370 Southmore Blvd	Houston TX 77004	2 500 00
Autism Speaks	1 East 33rd St 4th Floor	New York NY 10016	100 00
Baker Inst - Rice University	PO Box 1892	Houston TX 77251-1892	1 150 00
Baylor College of Medicine	One Baylor Plaza MS, BCM160	Houston, TX 77030-3411	100 00
Bayou Bend Collection & Gardens	PO Box 6826	Houston, TX 77265-6826	50 00
Bo's Place	10050 Buffalo Speedway	Houston, TX 77054	175 00
Central Park Conservancy	36 West 110th St	New York NY 10026	150 00
Children's Museum of Houston	1500 Binz	Houston, TX 77004	100 00
COLLAGE The Art For Cancer Network	1425 Branard Street Ste 2	Houston, TX 77006	1 000 00
Congregation Beth Israel	5600 N Braeswood Blvd	Houston, TX 77096	6 500 00
Congregation Beth Yeshurun	4525 Beechnut St	Houston, TX 77096-1881	50 00
Congregation Emanu El	1500 Sunset Blvd	Houston, TX 77005-1845	50 00
Contemporary Arts Museum	5216 Montrose Blvd	Houston, TX 77006	375 00
Cornell University	130 E Seneca St Ste 400	Ithaca, NY 14850	100 00
Dr Marnie Rose Foundation	5090 Richmond Ave PMB 291	Houston, TX 77056	25 00
El Museo Del Barrio New York	1230 Fifth Ave at 104th Street	New York, NY 10029	35,100 00
Emory University	1300 Clifton Road	Atlanta, GA 30322	10 000 00
Episcopal High School	4650 Bissonnet	Bellaire, TX 77401	26,000 00
FEGS	315 Hudson Street	New York NY 10013	1,000 00
Houston Artist Fund	2900 Wesleyan Ste 200	Houston TX 77027	1,500 00
Houston Ballet Foundation	1921 West Bell	Houston, TX 77019	16 000 00
Houston Grand Opera	510 Preston Street	Houston TX 77002-1504	200 00
Houston Museum of Natl Science	One Herman Circl Drive	Houston, TX 77030	60 00
Jewish Community Center of Houston	5601 S Braeswood	Houston TX 77096	400 00
Jewish Family Service	4131 S Braeswood	Houston TX 77025	250 00
Jewish Federation of Greater Houston	5603 S Braeswood	Houston TX 77096	2 000 00
Jewish Guild for the Blind	15 West 65th Street	New York NY 10023-6601	100 00
Jewish Healthcare Center Inc	629 Salisbury Street	Worcester, MA 01609	25 00
Judicial Watch	501 School Street SW Ste 500	Washington DC 20024	250 00
Juvenile Diabetes Research Fdn Intl	120 Wall Street - 19th Floor	New York NY 10005	100 00
Lawndale Art Center	4912 Main Street	Houston TX 77002	180 00
M D Anderson Cancer Center	1515 Holcombe Blvd	Houston TX 77030	1 075 00
Montefiore	111 East 210th Street	Bronx NY 10467	150 00
Museum of Fine Arts, Houston	1001 Bissonnet	Houston TX 77005	50 080 00
Muscular Dystrophy Association	3300 E Sunrise Dr	Tucson AZ 85718	790 00
National Right to Work Foundation	8001 Braddock Road	Springfield, VA 22160	500 00
Neuhaus Education Center	4433 Bissonnet	Bellaire TX 77401-3233	110 00
Northwestern University	2020 Ridge Avenue	Evanston IL 60208	100 00
Pine Manor College	400 Heath Street	Chestnut Hill MA 02467	250 00
Romare Bearden Foundation	2090 Adam Clayton Powell Jr Blvd, 202	New York, NY 10027	100 00
Seven Acres Jewish Geriatric Center	6200 North Braeswood	Houston TX 77074	1 000 00
Teach for America	Suite 500 Greenway Plaza	Houston TX 77046	100 00
Teachers College, Columbia University	Box 306 525 W 120th Street	New York, NY 10027	800 00
Texas Heart Institute	P O Box 20345	Houston TX 77225	5 100 00
The 100 Club, Inc	2603 Augusta Dr Ste 840	Houston TX 77057	100 00
The Chaplaincy Fund, Inc	P O Box 691284	Houston TX 77269	200 00
The Menil Foundation Inc	1515 Branard	Houston TX 77006	890 00
The Methodist Hospital Fdn	1707 Sunset Blvd	Houston, TX 77005	500 00
The Orange Show Foundation	2402 Munger Street	Houston, TX 77023	100 00
Univ Of TX Hlth Sci Ctr Houston	P O Box 20036	Houston, TX 77225	7 095 00
University of Houston	306 McElhinney Hall	Houston TX 77204	12 500 00
William Marsh Rice University	P O Box 1892	Houston TX 77251	300 00
Yale University	2406 Mount Vernon Rd Ste 200	Dunwoody GA 30338	4 000 00
K-1 Boardwalk Pipeline Partners			6 00
K-1 Nustar GP Holdings LLC			7 00
K-1 Williams Partners LP			1 00
K-1 Enbridge Energy Partners LP			8 00
			<u>200 793 00</u>

NOTE 1 THE CONTRIBUTIONS LISTED ABOVE WERE MADE FOR THE GENERAL PURPOSES INHERENT IN THE NAMES AND ACTIVITIES OF THE DONEE ORGANIZATIONS WITHOUT ANY RESTRICTION WHATEVER UPON OR SPECIFIC DESIGNATION FOR THE APPLICATIONS OF THE PROCEEDS OF THE CONTRIBUTIONS BY THE DONOR ORGANIZATION

NOTE 2 THE DONEE ORGANIZATIONS LISTED ABOVE ARE NOT RELATED BY BLOOD, MARRIAGE ADOPTION EMPLOYMENT OR OTHERWISE TO ANY PERSON HAVING AN INTEREST IN THE DONOR ORGANIZATION

NOTE 3 ALL OF THE ABOVE LISTED CHARITIES ARE PUBLIC CHARITIES