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

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning

, 2012, and ending

, 20

Name of foundation

STERLING FAMILY FOUNDATION

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

Room/suite

P.O. BOX 1837

City or town, state, and ZIP code

BELLAIRE, TX 77402-1837

G Check all that apply.

Initial return

Final return

Address change

Initial return of a former public charity

Amended return

Name change

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

J Accounting method

 Cash Accrual

of year (from Part II, col. (c), line

 Other (specify) _____

16) ► \$ 7,229,296.

(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 instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received (attach schedule)	382,904		
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B			
3 Interest on savings and temporary cash investments	125,431	125,431	ATCH 1
4 Dividends and interest from securities	91,845	91,845	
5a Gross rents			
b Net rental income or (loss) 37,781	163,740		
6a Net gain or (loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a 1,543,578			
7 Capital gain net income (from Part IV, line 2)	163,740		
8 Net short-term capital gain			
9 Income modifications			
10a Gross sales less returns and allowances			
b Less Cost of goods sold	351	351	
c Gross profit or (loss) (attach schedule)			
11 Other income (attach schedule) ATCH 2	764,271	381,367	
12 Total. Add lines 1 through 11	20,245	20,245	
13 Compensation of officers, directors, trustees, etc			
14 Other employee salaries and wages			
15 Pension plans, employee benefits			
16a Legal fees (attach schedule) ATCH 3	18,427	18,427	
b Accounting fees (attach schedule) ATCH 4	18,143	18,143	
c Other professional fees (attach schedule) *	31,484	31,484	
17 Interest			
18 Taxes (attach schedule) (see instructions) ATCH 6	38,292	35,925	
19 Depreciation (attach schedule) and depletion			
20 Occupancy			
21 Travel, conferences, and meetings			
22 Printing and publications	20,419	20,419	
23 Other expenses (attach schedule) ATCH 7			
24 Total operating and administrative expenses.	147,010	144,643	
Add lines 13 through 23			
25 Contributions, gifts, grants paid	408,300		408,300
26 Total expenses and disbursements. Add lines 24 and 25	555,310	144,643	408,300
27 Subtract line 26 from line 12:	208,961		
a Excess of revenue over expenses and disbursements			
b Net investment income (if negative, enter -0-)		236,724	
c Adjusted net income (if negative, enter -0-)			

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Operating and Administrative Expenses

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	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		46,011.	191,753.	191,753.
	2 Savings and temporary cash investments				
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach schedule) ►				
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges	ATCH 8	8,775.	6,408.	6,408.
	10 a Investments - U S and state government obligations (attach schedule)				
	b Investments - corporate stock (attach schedule) ATCH 9		4,741,311.	4,933,875.	4,858,172.
	c Investments - corporate bonds (attach schedule)				
Liabilities	11 Investments - land, buildings, and equipment basis ►	1,548,270.			
	Less accumulated depreciation ►				
			1,674,190.	1,548,270.	2,172,963.
	12 Investments - mortgage loans				
	13 Investments - other (attach schedule)				
Net Assets or Fund Balances	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
	15 Other assets (describe ►)		1,058.		
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)		6,471,345.	6,680,306.	7,229,296.
	17 Accounts payable and accrued expenses		9,600.	9,600.	
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ►)				
	23 Total liabilities (add lines 17 through 22)		9,600.	9,600.	
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		6,461,745.	6,670,706.	
	30 Total net assets or fund balances (see instructions)		6,461,745.	6,670,706.	
	31 Total liabilities and net assets/fund balances (see instructions)		6,471,345.	6,680,306.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)		1	6,461,745.
2 Enter amount from Part I, line 27a		2	208,961.
3 Other increases not included in line 2 (itemize) ►		3	
4 Add lines 1, 2, and 3		4	6,670,706.
5 Decreases not included in line 2 (itemize) ►		5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30		6	6,670,706.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	163,740.	
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	{ If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 }		3	0	

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

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

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

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

 Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	391,288.	6,582,700.	0.059442
2010	356,728.	4,987,866.	0.071519
2009	344,564.	4,597,056.	0.074953
2008	327,815.	5,873,689.	0.055811
2007	200,100.	6,777,891.	0.029522
2 Total of line 1, column (d)			2 0.291247
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 0.058249
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 6,877,983.
5 Multiply line 4 by line 3			5 400,636.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,367.
7 Add lines 5 and 6			7 403,003.
8 Enter qualifying distributions from Part XII, line 4			8 408,300.

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.

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 ► <input type="checkbox"/> and enter "N/A" on line 1. . . .	(attach copy of letter if necessary - see instructions)	1	2,367.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
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	2,367.
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	2,367.
6	Credits/Payments.			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a		8,775.
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		8,775.
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		6,408.
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ► 6,408. Refunded ►	11		

Part VII-A Statements 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
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	X	
1c	<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>	X	
2	Did the foundation file Form 1120-POL for this year?		
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?		
	<i>If "Yes," attach a detailed description of the activities</i>		
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>		
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
b	<i>If "Yes," has it filed a tax return on Form 990-T for this year?</i>		
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>		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: <ul style="list-style-type: none">• 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?		
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>		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► TX,		
b	<i>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.</i>		
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		

Part VII-A Statements Regarding Activities (continued)

11		X
12		X
13	X	
Website address ► NONE		
14	Telephone no ► 713-659-6551	713-659-6551
Located at ► 333 CLAY STREET, SUITE 4700 HOUSTON, TX		
15	ZIP+4 ► 77002-4180	77002-4180
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 ►		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		
	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2012 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 2012.)		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
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 2012?		

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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(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 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 instructions)?				5b
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			6b
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			7b
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?				

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
ATCH 10		20,245.	0	0

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

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

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

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

NONE

0

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 N/A

2

3

4

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 NONE

2

All other program-related investments See instructions

3 NONE

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	4,501,795.
b	Average of monthly cash balances	1b	233,656.
c	Fair market value of all other assets (see instructions)	1c	2,247,273.
d	Total (add lines 1a, b, and c)	1d	6,982,724.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	6,982,724.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	104,741.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,877,983.
6	Minimum investment return. Enter 5% of line 5	6	343,899.

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	343,899.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	2,367.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,367.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	341,532.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	341,532.
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	341,532.

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	408,300.
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	408,300.
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	2,367.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	405,933.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				341,532.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years: 20 10 20 09 20 08				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011	7,154.			
f Total of lines 3a through e	7,154.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 408,300.				
a Applied to 2011, but not more than line 2a				
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 2012 distributable amount				341,532.
e Remaining amount distributed out of corpus	66,768.			
5 Excess distributions carryover applied to 2012 (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:	73,922.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
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 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	73,922.			
10 Analysis of line 9.				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011	7,154.			
e Excess from 2012	66,768.			

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

NOT APPLICABLE

1 a . If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling	►																																																																																							
b Check box to indicate whether the foundation is a private operating foundation described in section		4942(j)(3) or	4942(j)(5)																																																																																					
<table border="1"> <thead> <tr> <th rowspan="2">Tax year</th> <th colspan="3">Prior 3 years</th> <th rowspan="2">(e) Total</th> </tr> <tr> <th>(a) 2012</th> <th>(b) 2011</th> <th>(c) 2010</th> <th>(d) 2009</th> </tr> </thead> <tbody> <tr> <td>2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b 85% of line 2a</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>c Qualifying distributions from Part XII, line 4 for each year listed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>d Amounts included in line 2c not used directly for active conduct of exempt activities</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3 Complete 3a, b, or c for the alternative test relied upon</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>a "Assets" alternative test - enter</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(1) Value of all assets</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(2) Value of assets qualifying under section 4942(j)(3)(B)(i)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>c "Support" alternative test - enter</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(3) Largest amount of support from an exempt organization</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(4) Gross investment income</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Tax year	Prior 3 years			(e) Total	(a) 2012	(b) 2011	(c) 2010	(d) 2009	2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					b 85% of line 2a					c Qualifying distributions from Part XII, line 4 for each year listed					d Amounts included in line 2c not used directly for active conduct of exempt activities					e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					3 Complete 3a, b, or c for the alternative test relied upon					a "Assets" alternative test - enter					(1) Value of all assets					(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					c "Support" alternative test - enter					(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)					(3) Largest amount of support from an exempt organization					(4) Gross investment income				
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Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:
ATCH 11

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

ATCH 12

c Any submission deadlines:

NONE

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

NONE

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

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				
ATCH 13				
Total			► 3a	408,300.
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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						
4 Dividends and interest from securities				14	125,431.	
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property				16	37,781.	
6 Net rental income or (loss) from personal property						
7 Other investment income				15	351.	
8 Gain or (loss) from sales of assets other than inventory				18	163,740.	
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue: a						
b						
c						
d						
e						
12 Subtotal. Add columns (b), (d), and (e)					327,303.	
13 Total. Add line 12, columns (b), (d), and (e)						327,303.

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

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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

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

b If "Yes," complete the following schedule

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

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

Sign Here    11/12/13	correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge   	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---	--	--

Paid Preparer Use Only	Print/Type preparer's name TRINO CORTES, CPA	Preparer's signature 	Date 11/12/2013	Check <input type="checkbox"/> if self-employed	PTIN P00018106
	Firm's name ► BDO USA, LLP	Firm's EIN ► 13-5381590			
	Firm's address ► 333 CLAY STREET, SUITE 4700 HOUSTON, TX	77002-4180	Phone no. 713-659-6551		

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

2012

Name of the organization	Employer identification number
STERLING FAMILY FOUNDATION	04-6995246

Organization type (check one):

Filers of: **Section:**

Form 990 or 990-EZ

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

Form 990-PF

501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions

General Rule

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

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use **exclusively** for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use **exclusively** for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an **exclusively** religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$ -----

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

Name of organization STERLING FAMILY FOUNDATION

Employer identification number
04-6995246**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF LILLIE STERLING P.O. BOX 1837 BELLAIRE, TX 77402-1837	\$ 382,904.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
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		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization STERLING FAMILY FOUNDATION

Employer identification number

04-6995246

Part III *Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.*

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$

Use duplicate copies of Part III if additional space is needed.

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

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis			
		TOTAL CAPITAL GAIN DISTRIBUTIONS					4,843.	
1,844.		56.224 SH RUSSELL US DEFENSIVE EQUITY FD				P	VARIOUS	08/15/2012
		PROPERTY TYPE: SECURITIES					-4.	
1,505.		50.657 SH RUSSELL US CORE EQUITY FUND				P	VARIOUS	08/15/2012
		PROPERTY TYPE: SECURITIES					6.	
3,066.		93.505 SH RUSSELL US DEFENSIVE EQUITY FD				P	VARIOUS	08/15/2012
		PROPERTY TYPE: SECURITIES					441.	
3,481.		117.184 SH RUSSELL US CORE EQUITY FUND				P	VARIOUS	08/15/2012
		PROPERTY TYPE: SECURITIES					681.	
94,772.		10,947.428 SH RUSSELL GLOBAL EQUITY FUND				P	VARIOUS	2012
		PROPERTY TYPE: SECURITIES					561.	
18,538.		510.935 SH RUSSELL GLOBAL REAL ESTATE FD				P	VARIOUS	2012
		PROPERTY TYPE: SECURITIES					3,020.	
24,355.		2,335.091 SH RUSSELL GLOBAL OPPT CRED FD				P	VARIOUS	08/15/2012
		PROPERTY TYPE: SECURITIES					858.	
13,972.		1,325.445 SH RUSSELL GLOBAL INFRAS FUND				P	VARIOUS	2012
		PROPERTY TYPE: SECURITIES					408.	
894.		48.429 SH RUSSELL EMERGING MKTS FUND				P	VARIOUS	02/08/2012
		PROPERTY TYPE: SECURITIES					49.	
2,618.		264.178 SH RUSSELL COMMODITY STRAT FUND				P	VARIOUS	02/08/2012
		PROPERTY TYPE: SECURITIES					-224.	
191,590.		17,178.141 SH RUSSELL STRAT. BOND FUND				P	VARIOUS	2012
		PROPERTY TYPE: SECURITIES					8,118.	
		183,472.						
		2,424.974 SH RUSSELL INTL DEVEL MKTS FD				P	VARIOUS	08/15/2012

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
69,136.		PROPERTY TYPE: SECURITIES 65,844.					3,292.	
21,755.		909.444 SH RUSSELL US SMALL CAP EQ. FUND PROPERTY TYPE: SECURITIES 17,632.				P	VARIOUS	2012
468,684.		14,344.385 SH RUSSELL US DEFENSIVE EQUIT PROPERTY TYPE: SECURITIES 402,668.				P	VARIOUS	2012
517,504.		17,469.948 SH RUSSELL US CORE EQUITY FUN PROPERTY TYPE: SECURITIES 417,430.				P	VARIOUS	2012
105,000.		LAND - FAIRBANKS NORTH HOUSTON RD PROPERTY TYPE: REAL ESTATE 133,543.				D	VARIOUS	11/20/2012
21.		GOLDMAN SACHS VALUE FUND PROPERTY TYPE: SECURITIES				P	VARIOUS	01/30/2012
TOTAL GAIN(LOSS)							21.	
							<u>163,740.</u>	

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

	<u>Cost</u>	<u>Accumulated</u>	<u>Book</u>
	<u>Basis</u>	<u>Depreciation</u>	<u>Value</u>
Collingsworth	370,000	0	370,000
North Freeway/Dever	599,007	0	599,007
Elder	75,000	0	75,000
Eunice	78,803	0	78,803
Fletcher	60,000	0	60,000
Sul Ross	81,750	0	81,750
Majestic	75,000	0	75,000
Cage	6,750	0	6,750
Dwinnell	75,000	0	75,000
East Freeway	35,710	0	35,710
Foreman	66,250	0	66,250
Willis	25,000	0	25,000
Totals	1,548,270	0	1,548,270

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
BILLBOARDS/BLDG	91,845.			91,845.
TOTALS	<u>91,845.</u>			<u>91,845.</u>

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

CLEAR CHANNEL OUTDOOR	64,365.
GLOBAL SIGNAL ACQS II LLC	12,696.
CBS OUTDOOR	8,109.
THE LAMAR COMPANY, LLC	3,075.
OTHER RENTALS	<u>3,600.</u>
	<u>91,845.</u>

ATTACHMENT 1

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
PERSHING LLC	125,431.	125,431.
TOTAL	<u>125,431.</u>	<u>125,431.</u>

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
ROYALTY INCOME - SOUTHERN MGMT	351.	351.
TOTALS	<u><u>351.</u></u>	<u><u>351.</u></u>

ATTACHMENT 2

19204G 701W

V 12-7F

ATTACHMENT 2

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	18,427.	18,427.	18,427.	
TOTALS	<u>18,427.</u>	<u>18,427.</u>	<u>18,427.</u>	

ATTACHMENT 3

19204G 701W

V 12-7F

ATTACHMENT 3

FORM 990PF, PART I - ACCOUNTING FEES

ATTACHMENT 4

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
BDO USA, LLP	18,143.	18,143.	18,143.	
TOTALS	<u>18,143.</u>	<u>18,143.</u>	<u>18,143.</u>	

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INVESTMENT MANAGEMENT FEES	31,484.	31,484.
TOTALS	<u>31,484.</u>	<u>31,484.</u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
PROPERTY TAXES	33,362.	33,362.
DRAINAGE UTILITY TAXES	805.	805.
FOREIGN TAXES WITHHELD ON DIV	1,747.	1,747.
PRODUCTION TAXES - ROYALTIES	11.	11.
FEDERAL EXCISE TAX (2012)	2,367.	
TOTALS	<u><u>38,292.</u></u>	<u><u>35,925.</u></u>

ATTACHMENT 6

19204G 701W

V 12-7F

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
LAND MAINTENANCE/REPAIRS	17,212.	17,212.
LIABILITY INSURANCE	2,535.	2,535.
HIGHWAY DEPT LICENSES	150.	150.
BANK CHARGES	522.	522.
TOTALS	<u>20,419.</u>	<u>20,419.</u>

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

DESCRIPTION

ENDING
BOOK VALUE

	ENDING BOOK VALUE	ENDING FMV
PREPAID FEDERAL EXCISE TAXES	6,408.	6,408.
TOTALS	<u>6,408.</u>	<u>6,408.</u>

ATTACHMENT 8

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 9

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
RUSSELL MUTUAL FUNDS (SCH ATT)	4,933,875.	4,858,172.
TOTALS	<u>4,933,875.</u>	<u>4,858,172.</u>

Holdings

Fund Holdings	Price	Units Owned	Market Value
Russell Commodity Strategies S RCCSX	\$ 9.31	18,634.129	\$ 173,484
Russell Emerging Markets S REMSX	18.94	10,514.667	199,148
Russell Global Equity S RGESX	9.15	47,031.272	430,336
Russell Global Infrastructure S RGISX	10.97	13,663.549	149,889
Russell Global Opportunistic Credit S RGCSX	10.48	8,623.487	90,374
Russell Global Real Estate Secs S RRESX	39.35	3,967.417	156,118
Russell International Developed Mkts S RINTX	30.94	22,238.829	688,069
Russell Multi-Strategy Alternative S RMSSX	10.15	13,021.956	132,173
Russell Strategic Bond S RFCTX	11.29	156,484.38	1,766,709
Russell US Small Cap Equity S RLESX	24.68	7,828.017	193,195
Russell US Strategic Equity S RSESX	10.27	85,557.63	878,677
			<u>4,850,172</u>

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

ATTACHMENT 10

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
DANIEL DOMINGUEZ 1200 SMITH ST 16TH FLR HOUSTON, TX 77002	TRUSTEE 1.00	20,245.	0	0
JAY A. EPSTEIN 333 CLAY STREET, SUITE 4700 HOUSTON, TX 77002	TRUSTEE 1.00	0	0	0
	GRAND TOTALS	<u><u>20,245.</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

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

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

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

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

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CENTRO FAMILIAR CRISTIANO 11000 DAIRY ASHFORD SUGARLAND, TX 77487	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	166,000.
JEWISH FAMILY SERVICE P.O. BOX 20328 HOUSTON, TX 77225	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	180,000.
SEVEN ACRES JEWISH SENIOR CARE SERVICES 6200 N. BRAESWOOD HOUSTON, TX 77074	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	30,000.
HOLOCRAST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	7,400.
FOUNDATION FOR THE RETARDED 3550 WEST DALLAS HOUSTON, TX 77019	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
DR. MARNE ROSE FOUNDATION 4550 POST OAK PLACE STE 100 HOUSTON, TX 77027	NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TEXAS EQUUSSEARCH P.O. BOX 395 DICKINSON, TX 77539	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	3,000.
ANIXTER CENTER 6610 NORTH CLARK ST CHICAGO, IL 60626	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
ST JUDE'S CHILDREN'S HOSPITAL P.O. BOX 50 MEMPHIS, TN 38101	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
MAKE-A-WISH FOUNDATION OF AMERICA 3550 NORTH CENTRAL AVE STE 300 PHOENIX, AZ 85012	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,500.
THE 100 CLUB, INC 5555 SAN FELIPE STE 520 HOUSTON, TX 77056	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
SIMON WISENTHAL CENTER 1399 SOUTH ROXBURY LOS ANGELES, CA 90035	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
AISHAH HOUSE 1955 UNIVERSITY BLVD HOUSTON, TX 77030	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
STAR OF HOPE 6895 ARDMORE ST HOUSTON, TX 77054	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
JEWISH COMMUNITY CENTER 5601 SOUTH BRAESWOOD BLVD HOUSTON, TX 77096	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	500.
CONGREGATION ANSHAI TORAH 5501 WEST PARKER RD. PLANO, TX 75093	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	5,000.
TRUEFACED 1820 W. NORTHERN AVE STE 130 PHOENIX, AZ 85021	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,200.
THEATER UNDER THE STARS 800 BAGBY STE 200 HOUSTON, TX 77002	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	2,500.

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

<u>RECIPIENT NAME AND ADDRESS</u>		<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
HOPE MINISTRIES P.O. BOX 18120 ATLANTA, GA 30316		NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,200.
HIS MANSION MINISTRIES P.O. BOX 40 HILLSBOROUGH, NH 03244		NONE PUBLIC CHARITY	TO ASSIST ORGANIZATION WITH CHARITABLE PURPOSE	1,000.
			TOTAL CONTRIBUTIONS PAID	<u><u>408,300.</u></u>

ATTACHMENT 13 (CONT'D)