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

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

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation TEX WILLIAMS FOUNDATION INC		A Employer identification number 56-1900949
Number and street (or P O box number if mail is not delivered to street address) 1101 NORWALK STREET	Room/suite	B Telephone number (336) 482-2444
City or town, state, and ZIP code GREENSBORO, NC 27407		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 80,820. (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		1,469.	1,469.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		4,987.			
b Gross sales price for all assets on line 6a 30,206.					
7 Capital gain net income (from Part IV, line 2)			4,987.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		6,456.	6,456.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages		4,000.	1,000.		3,000.
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 2		1,756.	0.		1,756.
c Other professional fees STMT 3		808.	808.		0.
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 4		1,459.	0.		1,459.
24 Total operating and administrative expenses. Add lines 13 through 23		8,023.	1,808.		6,215.
25 Contributions, gifts, grants paid		5,005.			5,005.
26 Total expenses and disbursements		13,028.	1,808.		11,220.
27 Subtract line 26 from line 12		-6,572.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			4,648.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,231.	2,706.	2,706.
	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			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 5	75,382.	78,114.	78,114.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	78,613.	80,820.	80,820.
	17 Accounts payable and accrued expenses	40.	40.	
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)	0.	4,000.	
23 Total liabilities (add lines 17 through 22)	40.	4,040.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	78,573.	76,780.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
30 Total net assets or fund balances	78,573.	76,780.		
31 Total liabilities and net assets/fund balances	78,613.	80,820.		

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	78,573.
2 Enter amount from Part I, line 27a	2	-6,572.
3 Other increases not included in line 2 (itemize) ▶ CHANGES IN FAIR MARKET VALUE	3	4,779.
4 Add lines 1, 2, and 3	4	76,780.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	76,780.

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 UBS FINANCIAL (02381) - SEE STATEMENT				
b ATTACHED		P	VARIOUS	VARIOUS
c UBS FINANCIAL (02381) - SEE STATEMENT				
d ATTACHED		P	VARIOUS	VARIOUS
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 7,470.		7,581.	-111.
c			
d 22,736.		17,638.	5,098.
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) FMV 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			-111.
c			
d			5,098.
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	4,987.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	{ If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year, see 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	9,743.	83,388.	.116839
2010	10,763.	82,555.	.130374
2009	0.	78,661.	.000000
2008	14,588.	95,549.	.152676
2007	7,580.	115,139.	.065833

2 Total of line 1, column (d)	2	.465722
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	.093144
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	80,601.
5 Multiply line 4 by line 3	5	7,507.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	46.
7 Add lines 5 and 6	7	7,553.
8 Enter qualifying distributions from Part XII, line 4	8	11,220.

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 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)	1	46.
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	0.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	46.
3	Add lines 1 and 2	4	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	5	46.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	17.
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	17.
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	29.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be credited to 2013 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> NC		
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► LESLIE LEIGH ANDERSON Telephone no ► (336) 482-2444 Located at ► 1101 NORWALK STREET, GREENSBORO, NC ZIP+4 ► 27407			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2012, 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes No	X X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► <input type="checkbox"/>	1b	
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?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 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) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 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) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

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

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

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

If "Yes" to 6b, file Form 8870

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

N/A

7b

X

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RICHARD J. WILLIAMS	DIRECTOR			
3341 THACHER ROAD				
OJAI, CA 93023	0.00	0.	0.	0.
DAVID B. WILLIAMS	DIRECTOR			
4067 LINCOLN AVENUE #4				
CULVER CITY, CA 90232	0.00	0.	0.	0.
CHRIS M. WILLIAMS	DIRECTOR			
9677 WENDOVER DRIVE				
BEVERLY HILLS, CA 90210	0.00	0.	0.	0.

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

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

Total number of other employees paid over \$50,000**0**

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

0

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	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	78,059.
b	Average of monthly cash balances	1b	3,769.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	81,828.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	81,828.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,227.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	80,601.
6	Minimum investment return. Enter 5% of line 5	6	4,030.

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	4,030.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	46.
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	46.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	3,984.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	3,984.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	3,984.

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	11,220.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	11,220.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	46.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,174.

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				3,984.
2 Undistributed income, if any, as of the end of 2012			0.	
a Enter amount for 2011 only				
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007	1,877.			
b From 2008	9,845.			
c From 2009				
d From 2010	6,679.			
e From 2011	5,612.			
f Total of lines 3a through e	24,013.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$	11,220.			
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				3,984.
e Remaining amount distributed out of corpus	7,236.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	31,249.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	1,877.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	29,372.			
10 Analysis of line 9				
a Excess from 2008	9,845.			
b Excess from 2009				
c Excess from 2010	6,679.			
d Excess from 2011	5,612.			
e Excess from 2012	7,236.			

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

N/A

- 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)

- 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(i)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

RICHARD J. WILLIAMS

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

RICHARD J. WILLIAMS

3341 THACHER ROAD, OJAI, CA 93023

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

TYPED

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 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				
AMERICAN DIABETES ASSOCIATION 1701 N. BEAUREGARD ST ALEXANDRIA, VA 22311	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	25.
AMERICAN HUMANIST ASSOCIATION 1777 T STREET, NW WASHINGTON, DC 20009	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	145.
AMERICANS UNITED 1301 K STREET NW, STE 850, EAST TOWER WASHINGTON, DC 20005	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	100.
GANNA WALSKA LOTUSLAND 695 ASHLEY RD SANTA BARBARA, CA 93108	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	375.
DRUG POLICY ALLIANCE 3470 WILSHIRE BLVD, STE 618 LOS ANGELES, CA 90010	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	35.
Total SEE CONTINUATION SHEET(S) ▶ 3a				5,005.
b Approved for future payment				
NONE				
Total ▶ 3b				0.

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
		(a) Business code	(b) Amount	(c) Exclu- sion 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					1,469.
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					4,987.
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)		0.		0.	6,456.
13	Total Add line 12, columns (b), (d), and (e)				13	6,456.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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. | | |

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

Signature of officer or trustee

Date _____

Title

• PRESIDENT

May the IRS discuss this return with the preparer shown below: (see instructions)

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date	
------	--

Check ☐ if
self-employed

PTIN

LESLIE L ANDERSON

LESLIE L ANDERSON

04/30/13

P00021396

Firm's name ▶ **LESLIE ANDERSON, CPA, PC**

Firm's EIN ► 20-4831046

Firm's address ► 1101 NORWALK STREET
GREENSBORO, NC 27407

Phone no (336) 482-2444

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
KUSC 1149 S. HILL ST, STE H100 LOS ANGELES, CA 90015	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	25.
OJAI MUSIC FESTIVAL 201 S. SIGNAL ST. OJAI, CA 93023	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	1,600.
OJAI PLAYWRIGHTS CONFERENCE P.O. BOX 1288 OJAI, CA 93024	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	1,000.
OJAI VALLEY LAND CONERVANCY 370 BALDWIN RD OJAI, CA 93023	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	50.
THE CREW P.O. BOX 1532 OJAI, CA 93023	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	50.
CLINICAL HUMAN FACTORS GROUP	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	250.
OPC 1330 BROADWAY, 13TH FLOOR OAKLAND, CA 94612	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	600.
DUKE UNIVERSITY DURHAM, NC 27708	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	500.
HOMEBOY INDUSTRIES 130 W. BRUNO ST. LOS ANGELES, CA 90012	NONE	OTHER PUBLIC CHARITY	UNRESTRICTED	250.
Total from continuation sheets				4,325.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
UBS FINANCIAL (02381)	1,469.	0.	1,469.
TOTAL TO FM 990-PF, PART I, LN 4	1,469.	0.	1,469.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	1,756.	0.		1,756.
TO FORM 990-PF, PG 1, LN 16B	1,756.	0.		1,756.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	808.	808.		0.
TO FORM 990-PF, PG 1, LN 16C	808.	808.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CHARITABLE EXPENSES	1,459.	0.		1,459.
TO FORM 990-PF, PG 1, LN 23	1,459.	0.		1,459.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITIES	78,114.	78,114.
TOTAL TO FORM 990-PF, PART II, LINE 10B	78,114.	78,114.



Portfolio Management Program

Account name: **TEX WILLIAMS FOUNDATION INC.**
Friendly account name: **PM ETF's**
Account number: **EA 02381 CG**

Your Financial Advisor:
THE CORNERSTONE GROUP
919-967-2451/800-905-3009

Realized gains and losses

Estimated 2012 gains and losses for transactions with trade dates through 12/31/12 have been incorporated into this statement. Please note that gain or loss recognized on the sale or redemption of certain Structured Products, like Contingent Debt Securities, may be ordinary, and not capital, gain or loss. Please check with your tax advisor. To calculate gains and losses, we liquidate the oldest security lot first. This is known as the first-in, first-out or FIFO accounting method. We use this method unless you specified which tax lot to close when you placed your order. This is known as a versus purchases or VSP order.

See Important information about your statement on the last page of this statement for more information. We may not adjust gains and losses for all capital changes. Cost basis for coupon tax-exempt municipal securities include securities subject to AMT, has been adjusted for mandatory amortization of bond premium. Estimates in the Unclassified section can not be classified as short term or long term because information is missing, or the product is one in which the gain/loss calculation is not provided.

Short-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
ISHARES DOW JONES U. S. TRANSPORTATION AVERAGE INDEX FUND									
	FIFO	6 000	Feb 24, 12	Sep 27, 12	528.73	550.61		-21.88	
	FIFO	5 000	Mar 29, 12	Sep 27, 12	440.61	463.25		-22.64	
ISHARES PHILX SOX SEMI CONDUCTORS INDEX									
	FIFO	14 000	Jul 21, 11	Feb 24, 12	806.38	747.04			59.34
ISHARES S&P NORTH AMERICAN NAT RESOURCES SECTOR INDEX FUND									
	FIFO	4 000	Jul 21, 11	Mar 29, 12	155.12	184.08		-28.96	
	FIFO	8 000	Feb 24, 12	Mar 29, 12	310.23	340.48		-30.25	
ISHARES TRUST DJ U S BASIC MATERIALS SECTR INDEX FD									
	FIFO	3 000	Jul 21, 11	Mar 29, 12	208.13	242.56		-34.43	
	FIFO	6 000	Feb 24, 12	Mar 29, 12	416.27	434.58		-18.31	
ISHARES TRUST DJ US UTILITIES SECTOR INDEX FD									
	FIFO	33 000	Feb 02, 12	Nov 29, 12	2,831.66	2,826.45			5.21
	FIFO	6 000	Feb 24, 12	Nov 29, 12	514.85	519.12		-4.27	
	FIFO	6 000	Mar 29, 12	Nov 29, 12	514.85	509.64			5.21
	FIFO	3 000	Sep 27, 12	Nov 29, 12	257.42	268.29		-10.87	
ISHARES TRUST DOW JONES U.S INDL SECTOR INDEX FD									
	FIFO	7 000	Feb 11, 11	Feb 02, 12	485.72	494.97		-9.25	
Total					\$7,469.97	\$7,581.07		-\$180.86	\$69.76
Net short-term capital gains and losses									-\$111.10

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Portfolio Management Program

Account name: TEX WILLIAMS FOUNDATION INC
Friendly account name: PM ETF's
Account number: EA 02381 CG

Your Financial Advisor:
THE CORNERSTONE GROUP
919-967-2451/800-905-3009

Realized gains and losses (continued)

Long-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
ISHARES COHEN & STEERS REALTY MAJORS INDEX FUND	FIFO	2.000	Oct 28, 08	Feb 02, 12	149.92	84.76			65.16
	FIFO	4.000	Dec 12, 08	Feb 02, 12	299.83	151.76			148.07
ISHARES DJ SELECT DIVID INDEX FUND E/F	FIFO	20.000	May 21, 09	Feb 16, 12	1,105.18	691.31			413.87
	FIFO	20.000	May 21, 09	May 21, 12	1,087.45	691.31			396.14
	FIFO	40.000	Jun 02, 09	May 21, 12	2,174.91	1,484.80			690.11
ISHARES DOW JONES U. S TRANSPORATION AVERAGE INDEX FUND	FIFO	4.000	Jul 30, 10	Feb 02, 12	381.15	314.36			66.79
	FIFO	30.000	Jul 30, 10	Sep 27, 12	2,643.65	2,357.67			285.98
	FIFO	1.000	Jul 21, 11	Sep 27, 12	88.12	98.15		-10.03	
ISHARES DOW JONES US CONSUMER SERVICES SECTOR INDEX FUND	FIFO	9.000	Apr 29, 10	Feb 02, 12	676.78	574.76			102.02
	FIFO	12.000	Jun 18, 09	Feb 24, 12	691.19	444.00			247.19
	FIFO	20.000	Jul 15, 09	Feb 24, 12	1,151.98	782.00			369.98
ISHARES PHLX SOX SEMI CONDUCTORS INDEX	FIFO	19.000	Apr 09, 10	Feb 24, 12	1,094.38	956.65			137.73
ISHARES S&P NORTH AMERICAN TECH-SOFTWARE INDEX FUND	FIFO	5.000	Oct 28, 08	Feb 02, 12	305.29	156.20			149.09
	FIFO	4.000	Jul 02, 09	Feb 02, 12	244.23	151.80			92.43
ISHARES S&P NORTH AMERICAN NAT RESOURCES SECTOR INDEX FUND	FIFO	4.000	Apr 09, 10	Feb 02, 12	161.55	144.80			16.75
	FIFO	67.000	Apr 09, 10	Mar 29, 12	2,598.21	2,425.40			172.81
ISHARES S&P NORTH AMERN TECHNOLOGY SECTOR INDEX FUND	FIFO	11.000	Jun 18, 09	Feb 02, 12	715.75	461.23			254.52

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Portfolio Management Program

Account name: TEX WILLIAMS FOUNDATION INC
Friendly account name: PM ETF's
Account number: EA 02381 CG

Your Financial Advisor:
THE CORNERSTONE GROUP
919-967-2451/800-905-3009

Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
ISHARES S&P NORTH AMERN TECHNOLOGY MULTIMEDIA NETWORKING INDEX FUND	FIFO	54,000	Mar 23, 10	Feb 24, 12	1,686.93	1,547.96			138.97
	FIFO	28,000	Apr 09, 10	Feb 24, 12	874.70	828.94			45.76
ISHARES TRUST DJ U.S BASIC MATERIALS SECTR INDEX FD	FIFO	3,000	May 21, 09	Feb 02, 12	218.08	131.73			86.35
	FIFO	14,000	May 21, 09	Mar 29, 12	971.30	614.74			356.56
	FIFO	15,000	Jan 14, 10	Mar 29, 12	1,040.67	939.00			101.67
	FIFO	8,000	Apr 09, 10	Mar 29, 12	555.03	527.92			27.11
ISHARES TRUST DJ US REAL STATE INDEX FUND	FIFO	8,000	Dec 12, 08	Feb 02, 12	487.91	255.92			231.99
ISHARES TRUST DOW JONES TECHNOLOGY SECTOR INDEX FUND	FIFO	11,000	May 28, 09	Feb 02, 12	772.84	462.88			309.96
ISHARES TRUST DOW JONES U.S. CONSUMER GOOD SECTOR INDEX FUND	FIFO	8,000	Oct 28, 08	Feb 02, 12	559.18	357.84			201.34
Total					\$22,736.21	\$17,637.89		-\$10.03	\$5,108.35
Net long-term capital gains or losses									\$5,098.32
Net capital gains/losses:									\$4,987.22