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

2012

Open to public inspection

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

For calendar year 2012 or tax year beginning

, and ending

Name of foundation: A.I. AND MANET SCHEPPS FOUNDATION		A Employer identification number 74-6050262
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 539	Room/suite	B Telephone number 7136683029
City or town, state, and ZIP code BELLAIRE, TX 77402-0539		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) \$ 5,481,970.	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		5,445,219.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		12.	12.		STATEMENT 1
4 Dividends and interest from securities		292,101.	267,282.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		220,328.			STATEMENT 3
b Gross sales price for all assets on line 6a		2,355,100.			
7 Capital gain net income (from Part IV, line 2)			221,187.		
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 (loss)					
11 Other income		-3,563.	0.		STATEMENT 4
12 Total. Add lines 1 through 11		5,954,097.	488,481.		
13 Compensation of officers, directors, trustees, etc.		92,318.	0.		92,318.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 5		23,959.	0.		23,959.
b Accounting fees STMT 6		6,450.	3,225.		3,225.
c Other professional fees STMT 7		40,036.	40,036.		0.
17 Interest		19.	0.		19.
18 Taxes STMT 8		6,611.	147.		6,464.
19 Depreciation and depletion		1,349.	0.		
20 Occupancy		2,013.	0.		2,013.
21 Travel, conferences, and meetings		2,921.	0.		2,921.
22 Printing and publications					
23 Other expenses STMT 9		8,661.	0.		8,451.
24 Total operating and administrative expenses. Add lines 13 through 23		184,337.	43,408.		139,370.
25 Contributions, gifts, grants paid		6,496,461.			6,496,461.
26 Total expenses and disbursements. Add lines 24 and 25		6,680,798.	43,408.		6,635,831.
27 Subtract line 26 from line 12		-726,701.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			445,073.		
c Adjusted net income (if negative, enter -0-)				N/A	

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LHA For Paperwork Reduction Act Notice, see instructions.

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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	659,058.	939,838.	939,838.
	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			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	9,377.	4,800.	
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 10	165,842.	83,078.	76,607.
	c	Investments - corporate bonds			
Liabilities	11	Investments - land, buildings, and equipment basis ▶			
		Less: accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 11	4,841,702.	3,918,653.	4,461,374.
	14	Land, buildings, and equipment basis ▶ 5,810.			
		Less: accumulated depreciation STMT 12 ▶ 1,659.	1,242.	4,151.	4,151.
	15	Other assets (describe ▶)			
	16	Total assets (to be completed by all filers)	5,677,221.	4,950,520.	5,481,970.
	17	Accounts payable and accrued expenses	1,258.	1,258.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	1,258.	1,258.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
		and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	5,675,963.	4,949,262.	
	30	Total net assets or fund balances	5,675,963.	4,949,262.	
	31	Total liabilities and net assets/fund balances	5,677,221.	4,950,520.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,675,963.
2	Enter amount from Part I, line 27a	2	-726,701.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	4,949,262.
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	4,949,262.

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			
b SEE ATTACHED STATEMENT			
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 2,355,100.		2,133,913.	221,187.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			221,187.

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	221,187.
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	284,276.	6,182,626.	.045980
2010	577,457.	6,404,163.	.090169
2009	385,634.	6,147,066.	.062735
2008	325,955.	6,892,224.	.047293
2007	292,082.	6,645,518.	.043952

2 Total of line 1, column (d)	2	.290129
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	.058026
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,988,082.
5 Multiply line 4 by line 3	5	347,464.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,451.
7 Add lines 5 and 6	7	351,915.
8 Enter qualifying distributions from Part XII, line 4	8	6,635,831.

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	4,451.
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	4,451.
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	4,451.
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 4,800.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 2,200.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	7,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	5.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,544.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input checked="" type="checkbox"/> 2,544. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
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?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, 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"/> TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 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	

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address **► N/A**

14 The books are in care of **► NANCY BRAND** Telephone no **► 713-993-1585**
 Located at **► 4719 LAUREL, BELLAIRE, TX** ZIP+4 **► 77401**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here **►** ☐
 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? **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)?	N/A	1b
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?		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

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?

☐ Yes ☒ No

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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
NANCY BRAND 4719 LAUREL BELLAIRE, TX 77401	PRESIDENT 10.00	85,000.	0.	0.
GILDA SPRUNG 3388 SAGE RD HOUSTON, TX 77056	DIRECTOR 2.00	4,318.	0.	0.
JENNIFER BRAND 5636 INNSBRUCK BELLAIRE, TX 77401	DIRECTOR 2.00	3,000.	0.	0.

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	5,424,468.
b	Average of monthly cash balances	1b	654,803.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,079,271.
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	6,079,271.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	91,189.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,988,082.
6	Minimum investment return. Enter 5% of line 5	6	299,404.

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	299,404.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	4,451.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	4,451.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	294,953.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	294,953.
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	294,953.

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	6,635,831.
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	6,635,831.
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	4,451.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	6,631,380.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				294,953.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			3,913.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4. ► \$ 6,635,831.				
a Applied to 2011, but not more than line 2a			3,913.	
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				294,953.
e Remaining amount distributed out of corpus	6,336,965.			
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	6,336,965.			
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	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	6,336,965.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012	6,336,965.			

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)

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				
AISHEL HOUSE 1955 UNIVERSITY BLVD HOUSTON, TX 77030	NONE	501(C)(3)	GENERAL OPERATIONS	150.
AMERICAN ASSOCIATES; BEN GURION, UNIVERSITY OF THE NEGEV 24 GREENWAY PLAZA, #550 HOUSTON, TX 77046	NONE	501(C)(3)	GENERAL OPERATIONS	1,500.
AMERICAN CANCER SOCIETY PO BOX 22718 OKLAHOMA CITY, OK 73123-1718	NONE	501(C)(3)	GENERAL OPERATIONS	50.
AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE 633 THIRD AVENUE, FL20 NEW YORK, NY 10164	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
AMERICAN RED CROSS PO BOX 4002018 DES MOINES, IA 50340-2018	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
Total			SEE CONTINUATION SHEET(S) ▶ 3a	6,496,461.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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
ARCHEOLOGICAL CONSERVANCY 5301 CENTRAL AVE, NE #902 ALBUQUERQUE, NM 87108-9820	NONE	501(C)(3)	GENERAL OPERATIONS	50.
B'NAI ISRAEL SYNAGOGUE PO BOX 8060 GALVESTON, TX 77553	NONE	501(C)(3)	GENERAL OPERATIONS	11,000.
CASA- COURT APPOINTED SPECIAL ADVOCATES FOR CHILDREN 7701 N. LAMAR BLVD., STE 301 AUSTIN, TX 78752	NONE	501(C)(3)	GENERAL OPERATIONS	500.
CONGREGATION BETH YESHURUN 4525 BEECHNUT HOUSTON, TX 77096	NONE	501(C)(3)	GENERAL OPERATIONS	11,161.
CRIME STOPPERS PO BOX 541654 HOUSTON, TX 77254	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
DEPELCHIN CHILDREN'S CENTER 4950 MEMORIAL HOUSTON, TX 77007	NONE	501(C)(3)	GENERAL OPERATIONS	500.
EPISCOPAL HIGH SCHOOL PO BOX 271299 HOUSTON, TX 77277-1299	NONE	501(C)(3)	GENERAL OPERATIONS	250.
GALVESTON SHRINER'S HOSPITAL 815 MARKET STREET GALVESTON, TX 77550-2725	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
GOODWILL INDUSTRIES 1140 W. LOOP N. HOUSTON, TX 77055	NONE	501(C)(3)	GENERAL OPERATIONS	500.
HADASSAH 4654 BEECHNUT HOUSTON, TX 77096	NONE	501(C)(3)	GENERAL OPERATIONS	500.
Total from continuation sheets				6,492,761.

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
HELENE G. SIMON HILLEL 730 E 3RD BLOOMINGTON, IN 47401	NONE	501(C)(3)	GENERAL OPERATIONS	2,000.
HOLOCOST MUSEUM HOUSTON 5401 CAROLINE ST HOUSTON, TX 77004	NONE	501(C)(3)	GENERAL OPERATIONS	8,715.
HOUSTON FOOD BANK 535 PORTWALL ST HOUSTON, TX 77029	NONE	501(C)(3)	GENERAL OPERATIONS	500.
HOUSTON MARATHON 720 N POST OAK ROAD #200 HOUSTON, TX 77024	NONE	501(C)(3)	GENERAL OPERATIONS	250.
HOUSTON PBS PO BOX 4415 HOUSTON, TX 77210-4415	NONE	501(C)(3)	GENERAL OPERATIONS	250.
HOUSTON ZOO 6200 HERMANN PARK DRIVE HOUSTON, TX 77030	NONE	501(C)(3)	GENERAL OPERATIONS	46.
INSTITUTE OF NAUTICAL ARCHEOLOGY PO DRAWER HG COLLEGE STATION, TX 77840	NONE	501(C)(3)	GENERAL OPERATIONS	75.
INTERFAITH MINISTRIES 3217 MONTROSE HOUSTON, TX 77006	NONE	501(C)(3)	GENERAL OPERATIONS	500.
JEWISH FOUNDATION OF WESTERN CONNECTICUT 444 MAIN STREET NORTH SOUTHBURY, CT 06488	NONE	501(C)(3)	GENERAL OPERATIONS	500.
JEWISH NATIONAL FUND PO BOX 5609 HICKSVILLE, NY 11802-5609	NONE	501(C)(3)	GENERAL OPERATIONS	500.
Total from continuation sheets				

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
MAKE-A-WISH FOUNDATION 1604 BISSONNET HOUSTON, TX 77005	NONE	501(C)(3)	GENERAL OPERATIONS	500.
MANCHACA UNITED METHODIST CHURCH 1011 FARM TO MKT 1626 MANCHACA, TX 78652	NONE	501(C)(3)	GENERAL OPERATIONS	50.
NATIONAL MULTIPLE SCLEROSIS SOCIETY 733 THIRD AVENUE NEW YORK, NY 10017	NONE	501(C)(3)	GENERAL OPERATIONS	350.
MUSEUM OF FINE ARTS HOUSTON PO BOX 4606 HOUSTON, TX 77210-9865	NONE	501(C)(3)	GENERAL OPERATIONS	85.
NATIONAL MUSEUM OF AMERICAN INDIANS; SMITHSONIAN PO BOX 96836 WASHINGTON, DC 20090-6836	NONE	501(C)(3)	GENERAL OPERATIONS	100.
NATIONAL TRUST FOR HISTORICAL PRESERVATION PO BOX 5043 HAGERSTOWN, MD 21741-5043	NONE	501(C)(3)	GENERAL OPERATIONS	60.
PLANNED PARENTHOOD 434 W. 33RD ST NEW YORK, NY 10001	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
SALVATION ARMY PO BOX 203781 HOUSTON, TX 77216-3781	NONE	501(C)(3)	GENERAL OPERATIONS	500.
SEARCH 2505 FANNIN HOUSTON, TX 77002-9115	NONE	501(C)(3)	GENERAL OPERATIONS	500.
SEVEN ACRES 6200 N. BRAESWOOD HOUSTON, TX 77074	NONE	501(C)(3)	GENERAL OPERATIONS	1,000.
Total from continuation sheets				

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
SMITHSONIAN PO BOX 9016 PITTSFIELD, MA 01202-9016	NONE	501(C)(3)	GENERAL OPERATIONS	75.
SMITHSONIAN PO BOX 92170 TAMPA, FL 33662-2170	NONE	501(C)(3)	GENERAL OPERATIONS	60.
SOUTH TEXAS COLLEGE OF LAW 1602 SAN JACINTO HOUSTON, TX 77002	NONE	501(C)(3)	GENERAL OPERATIONS	2,000.
STAR OF HOPE PO BOX 1505 HOUSTON, TX 77251-1505	NONE	501(C)(3)	GENERAL OPERATIONS	500.
SUNSHINE KIDS 2814 VIRGINIA HOUSTON, TX 77098	NONE	501(C)(3)	GENERAL OPERATIONS	500.
SUSAN G KOMEN 5433 WESTHEIMER #325 HOUSTON, TX 77056	NONE	501(C)(3)	GENERAL OPERATIONS	250.
TEXAS A&M HILLEL 800 GEORGE BUSCH DR. COLLEGE STATION, TX 77840	NONE	501(C)(3)	GENERAL OPERATIONS	969,548.
TEXAS CHILDREN'S HOSPITAL PO BOX 2165 HOUSTON, TX 77252-2165	NONE	501(C)(3)	GENERAL OPERATIONS	250.
TEXAS EQUISEARCH PO BOX 395 DICKINSON, TX 77539	NONE	501(C)(3)	GENERAL OPERATIONS	500.
TOUR DE PINK 2012, PINK RIBBON PROJECT 2449 SOUTH BLVD., STE 100 HOUSTON, TX 77098	NONE	501(C)(3)	GENERAL OPERATIONS	500.
Total from continuation sheets				

3 Grants and Contributions Paid During the Year (Continuation)

Total from continuation sheets

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

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

[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
SONNIE SCHEPPS ROBINSON FOUNDATION	501(C)(3)	SEE STATEMENT 14

**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.

and belief, it is true, correct, and complete. Declaration of parent



Signature of officer or trustee

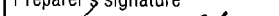
✓ 11/15/13
Date

DIRECTOR
Title

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
VIRGINIA L. PLATTS		11/14/13		P01060996
Firm's name ► BRIGGS & VESELPA CO.			Firm's EIN ► 74-1769118	
Firm's address ► NINE GREENWAY PLAZA, SUITE 1700 HOUSTON, TX 77046			Phone no. 713-667-9147	

A.I. AND MANET SCHEPPS FOUNDATION

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	FIDELITY - ST	P	01/01/12	12/31/12
b	FIDELITY - LT	P	01/01/11	12/31/12
c	MERRILL LYNCH - ST	P	01/01/12	12/31/12
d	MERRILL LYNCH - LT	P	01/01/11	12/31/12
e	ISRAELI BONDS	P	01/01/11	12/31/12
f	LT GAIN FROM PARTNERSHIPS	P	01/01/11	12/31/12
g	ST GAIN FROM PARTNERSHIPS	P	01/01/12	12/31/12
h	CAPITAL GAINS DIVIDENDS			
i				
j				
k				
l				
m				
n				
o				

(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 1,053.		956.	97.
b 84,559.		76,431.	8,128.
c 262,140.		250,670.	11,470.
d 1,951,107.		1,754,564.	196,543.
e 50,000.		50,000.	0.
f		775.	-775.
g		517.	-517.
h 6,241.			6,241.
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			97.
b			8,128.
c			11,470.
d			196,543.
e			0.
f			-775.
g			-517.
h			6,241.
i			
j			
k			
l			
m			
n			
o			

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	221,187.
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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2012

Name of the organization

A.I. AND MANET SCHEPPS FOUNDATION

Employer identification number

74-6050262

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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization	Employer identification number
A.I. AND MANET SCHEPPS FOUNDATION	74-6050262

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 MANET SCHEPPS PO BOX 539 BELLAIRE, TX 77402	\$ 5,383,219.	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)
		\$	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)
		\$	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	Employer identification number
A.I. AND MANET SCHEPPS FOUNDATION	74-6050262

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
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization	Employer identification number
A.I. AND MANET SCHEPPS FOUNDATION	74-6050262

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) ▶ \$

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
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF PAGE 1

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228111
05-01-12

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Form **4562**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Depreciation and Amortization 990-PF
(Including Information on Listed Property)

▶ See separate instructions.

▶ Attach to your tax return.

OMB No 1545-0172

2012Attachment
Sequence No **179****A.I. AND MANET SCHEPPS FOUNDATION****FORM 990-PF PAGE 1****74-6050262****Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	497.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		4,258.	5 YRS.	HY	200DB	852.
c 7-year property						
d 10 year property						
e 15 year property						
f 20-year property						
g 25 year property			25 yrs		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations see instr	22	1,349.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

216251
12-28-12 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2012)

33

16031114 134672 77335

2012.04040 A.I. AND MANET SCHEPPS FOUN 77335__1

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year					
43 Amortization of costs that began before your 2012 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

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

SOURCE	AMOUNT
CNB BANK INTEREST	12.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	12.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIDELITY	117.	0.	117.
INTEREST FROM PARTNERSHIPS	6.	0.	6.
ISRAELI BOND INTEREST	13,077.	0.	13,077.
MERRIL LYNCH DIVIDENDS	92,913.	6,241.	86,672.
MERRILL LYNCH INTEREST	192,228.	0.	192,228.
VANGUARD DIVIDENDS	1.	0.	1.
TOTAL TO FM 990-PF, PART I, LN 4	298,342.	6,241.	292,101.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 3

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
FIDELITY - ST	1,053.	956.	0.	0.		01/01/12 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
FIDILITY - LT	84,559.	76,431.	0.	0.		01/01/11 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
MERRILL LYNCH - ST	262,140.	250,670.	0.	0.		01/01/12 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
MERRILL LYNCH - LT	1,951,107.	1,754,564.	0.	0.		01/01/11 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
ISRAELI BONDS	50,000.	50,000.	0.	0.		01/01/11 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
LT GAIN FROM PARTNERSHIPS	0.	775.	0.	0.		01/01/11 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
ST GAIN FROM PARTNERSHIPS	0.	517.	0.	0.		01/01/12 12/31/12

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
SEC 1256 GAINS - PARTNERSHIPS	0.	0.	0.	0.	-859.
NET GAIN OR LOSS FROM SALE OF ASSETS					214,087.
CAPITAL GAINS DIVIDENDS FROM PART IV					6,241.
TOTAL TO FORM 990-PF, PART I, LINE 6A					220,328.

FORM 990-PF	OTHER INCOME	STATEMENT	4
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ORDINARY INCOME FROM PARTNERSHIPS	-3,563.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-3,563.	0.	

FORM 990-PF	LEGAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	23,959.	0.		23,959.
TO FM 990-PF, PG 1, LN 16A	23,959.	0.		23,959.

FORM 990-PF	ACCOUNTING FEES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	6,450.	3,225.		3,225.	
TO FORM 990-PF, PG 1, LN 16B	6,450.	3,225.		3,225.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OTHER PROFESSIONAL FEES	40,036.	40,036.		0.	
TO FORM 990-PF, PG 1, LN 16C	40,036.	40,036.		0.	

FORM 990-PF	TAXES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAXES	6,464.	0.		6,464.	
FOREIGN TAXES	147.	147.		0.	
TO FORM 990-PF, PG 1, LN 18	6,611.	147.		6,464.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
POSTAGE	467.	0.		467.	
SUPPLIES	3,258.	0.		3,258.	
COMMUNICATIONS	657.	0.		657.	
DUES AND SUBSCRIPTIONS	445.	0.		445.	
TELEPHONE	591.	0.		591.	
BANK SERVICE FEES	28.	0.		28.	

MEALS	422.	0.	211.
BUSINESS EXPENSES	2,788.	0.	2,789.
LICENSES AND FEES	5.	0.	5.
TO FORM 990-PF, PG 1, LN 23	8,661.	0.	8,451.

FORM 990-PF	CORPORATE STOCK	STATEMENT 10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CENTRAL NATIONAL BANK	0.	0.
COMMUNITY NATIONAL BANK-> PROSPERITY BANCSHARES	83,078.	76,607.
TOTAL TO FORM 990-PF, PART II, LINE 10B	83,078.	76,607.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIDELITY INVESTMENTS - FUNDS	COST	0.	0.
ISRAELI BONDS	COST	275,000.	275,000.
MERRILL LYNCH BONDFUND - FUNDS	COST	3,641,428.	4,184,149.
PTP - COPANO	COST	2,225.	2,225.
PTP - POWERSHARES	COST	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,918,653.	4,461,374.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 12
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER	1,552.	807.	745.
OFFICE EQUIPMENT	4,258.	852.	3,406.
TOTAL TO FM 990-PF, PART II, LN 14	5,810.	1,659.	4,151.

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS	STATEMENT 13
	PART VII-A, LINE 10	

NAME OF CONTRIBUTOR

ADDRESS

ESTATE OF MANET SCHEPPS

P.O. BOX 539
BELLAIRE, TX 77402

990-PF	AFFILIATION WITH TAX-EXEMPT ORGANIZATIONS	STATEMENT	14
	PART XVII, LINE 2, COLUMN (C)		

NAME OF AFFILIATED OR RELATED ORGANIZATION

SONNIE SCHEPPS ROBINSON FOUNDATION

DESCRIPTION OF RELATIONSHIP WITH AFFILIATED OR RELATED ORGANIZATION

EXPENDITURE RESPONSIBILITY