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| Part II Balance Sheets | | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions) | | | Beginning of year | End of year | |
|-----------------------------|--|---|----------------|-----------------------|-------------------|-------------|--|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value | | | |
| Assets | 1 | Cash—non-interest-bearing | | | | | |
| | 2 | Savings and temporary cash investments | 970,442 | 302,353 | 552,961 | | |
| | 3 | Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | | | |
| | 4 | Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | | | |
| | 5 | Grants receivable | | | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) | | | | | |
| | 7 | Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____ | | | | | |
| | 8 | Inventories for sale or use | | | | | |
| | 9 | Prepaid expenses and deferred charges | | | | | |
| | 10a | Investments—U S and state government obligations (attach schedule) | | | | | |
| | b | Investments—corporate stock (attach schedule) | 814,516 | 835,512 | 742,915 | | |
| | c | Investments—corporate bonds (attach schedule) | 485,037 | 1,166,429 | 1,165,939 | | |
| | 11 | Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____ | | | | | |
| | 12 | Investments—mortgage loans | | | | | |
| | 13 | Investments—other (attach schedule) | 517,727 | 399,977 | 392,669 | | |
| | 14 | Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____ | | | | | |
| 15 | Other assets (describe ▶ _____) | | | | | | |
| 16 | Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) | 2,787,722 | 2,704,271 | 2,854,484 | | | |
| Liabilities | 17 | Accounts payable and accrued expenses | | | | | |
| | 18 | Grants payable | | | | | |
| | 19 | Deferred revenue | | | | | |
| | 20 | Loans from officers, directors, trustees, and other disqualified persons | | | | | |
| | 21 | Mortgages and other notes payable (attach schedule) | | | | | |
| | 22 | Other liabilities (describe ▶ _____) | | | | | |
| | 23 | Total liabilities (add lines 17 through 22) | | 0 | | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | | | | |
| | 24 | Unrestricted | | | | | |
| | 25 | Temporarily restricted | | | | | |
| | 26 | Permanently restricted | | | | | |
| | Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31. | | | | | | |
| | 27 | Capital stock, trust principal, or current funds | | | | | |
| | 28 | Paid-in or capital surplus, or land, bldg , and equipment fund | | | | | |
| | 29 | Retained earnings, accumulated income, endowment, or other funds | 2,787,722 | 2,704,271 | | | |
| 30 | Total net assets or fund balances (see instructions) | 2,787,722 | 2,704,271 | | | | |
| 31 | Total liabilities and net assets/fund balances (see instructions) . | 2,787,722 | 2,704,271 | | | | |

| 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 | 2,787,722 |
| 2 | Enter amount from Part I, line 27a | 2 | -83,451 |
| 3 | Other increases not included in line 2 (itemize) ▶ _____ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 2,704,271 |
| 5 | Decreases not included in line 2 (itemize) ▶ _____ | 5 | |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . | 6 | 2,704,271 |

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) |
|---|---|---|-------------------------------------|
| 1 a Publicly traded securities | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|--------------------------|---|--|---|
| a 1,020,899 | | 998,866 | 22,033 |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) |
|---|---|--|---|
| (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | |
| a | | | 22,033 |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| | | | |
|---|--|----------|--------|
| 2 Capital gain net income or (net capital loss) | <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 5px;">{</div> <div> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> <div style="font-size: 2em; margin-left: 5px;">}</div> </div> | 2 | 22,033 |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 | <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 5px;">{</div> <div></div> <div style="font-size: 2em; margin-left: 5px;">}</div> </div> | 3 | |

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

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

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

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

☐ Yes
 ☒ No

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

1 Enter the appropriate amount in each column for each year, see 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)) |
|--|--|--|---|
| 2015 | 137,765 | 2,682,760 | 0 05135 |
| 2014 | 140,996 | 2,789,512 | 0 05055 |
| 2013 | 149,267 | 2,844,359 | 0 05248 |
| 2012 | 151,932 | 3,026,749 | 0 05020 |
| 2011 | 137,011 | 3,093,838 | 0 04429 |
| 2 Total of line 1, column (d) | | | 2 0 248856 |
| 3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | | | 3 0 049771 |
| 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 | | | 4 2,241,490 |
| 5 Multiply line 4 by line 3 | | | 5 111,561 |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | | | 6 506 |
| 7 Add lines 5 and 6 | | | 7 112,067 |
| 8 Enter qualifying distributions from Part XII, line 4 | | | 8 136,723 |

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) | | |
| 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 | 1 | 506 |
| c | All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b) | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 2 | |
| 3 | Add lines 1 and 2. | 3 | 506 |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 4 | |
| 5 | Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- | 5 | 506 |
| 6 | Credits/Payments | | |
| a | 2016 estimated tax payments and 2015 overpayment credited to 2016 | 6a | |
| b | Exempt foreign organizations—tax withheld at source | 6b | |
| c | Tax paid with application for extension of time to file (Form 8868) | 6c | |
| d | Backup withholding erroneously withheld | 6d | |
| 7 | Total credits and payments. Add lines 6a through 6d. | 7 | |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached | 8 | 15 |
| 9 | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶ | 9 | 521 |
| 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 2017 estimated tax ▶ Refunded ▶ | 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? | 1a | No |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i> | 1b | No |
| c Did the foundation file Form 1120-POL for this year? | 1c | No |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____ | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____ | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i> | 2 | No |
| 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> | 3 | No |
| 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? | 4a | No |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | 4b | No |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i> | 5 | No |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | Yes |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i> | 7 | Yes |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX _____ | | |
| b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i> . | 8b | Yes |
| 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> | 9 | No |
| 10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> | 10 | No |

Part VII-A Statements Regarding Activities (continued)

| | | | | |
|-----------|--|-----------|------------|-----------|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions). | 11 | | No |
| 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 | | No |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u> | 13 | Yes | |
| 14 | The books are in care of ▶ <u>Daniel Gordon</u> Telephone no ▶ <u>(713) 785-1700</u> | | | |

Located at ▶ 109 N Post Oak Lane Ste 300 Houston TX ZIP+4 ▶ 77024

| | | | | |
|-----------|---|-----------|------------|-----------|
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 | | | |
| 16 | At any time during calendar year 2016, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶ | 16 | Yes | No |

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.

| | | | | |
|-----------|---|-----------|------------|-----------|
| 1a | During the year did the foundation (either directly or indirectly) | | Yes | No |
| (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 checked="" type="checkbox"/> Yes <input 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here. ▶ <input type="checkbox"/> | 1b | | No |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? | 1c | | No |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)) | | | |
| a | At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____ | | | |
| b | Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions) | 2b | | No |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| b | If "Yes," did it have excess business holdings in 2016 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 2016). | 3b | | No |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | No |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016? | 4b | | No |

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

| | | | | |
|-----------|--|------------------------------|--|-----------|
| 5a | During the year did the foundation pay or incur any amount to | | | |
| | (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (3) Provide a grant to an individual for travel, study, or other similar purposes? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| b | If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? | | | 5b |
| | Organizations relying on a current notice regarding disaster assistance check here. | <input type="checkbox"/> | | No |
| c | If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | If "Yes," attach the statement required by Regulations section 53.4945–5(d) | | | |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| 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 | | | No |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| b | If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? | | | 7b |
| | | | | No |

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

| 1 List all officers, directors, trustees, foundation managers and their compensation (see instructions). | | | | |
|---|---|---|---|---------------------------------------|
| (a) Name and address | Title, and average hours per week (b) devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
| Daniel Gordon 109 N Post Oak Lane Ste 300 Houston, TX 77024 | Pres/Treas/Dir 1 00 | 0 | | |
| Annette Gordon 109 N Post Oak Lane Ste 300 Houston, TX 77024 | VP/Director 1 00 | 0 | | |
| James Gordon 109 N Post Oak Lane Ste 300 Houston, TX 77024 | Asst VP/Dir 1 00 | 0 | | |
| W Lowrey Barfield 109 N Post Oak Lane Ste 300 Houston, TX 77024 | Secretary/Dir 1 00 | 0 | | |
| 2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE." | | | | |
| (a) Name and address of each employee paid more than \$50,000 | Title, and average hours per week (b) devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over \$50,000. | | | | |

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

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

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over \$50,000 for professional services. | | |

Part IX-A Summary of Direct Charitable Activities

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

| | Expenses |
|--------------|----------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |

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

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

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 | 1,736,869 |
| b | Average of monthly cash balances. | 1b | 538,755 |
| c | Fair market value of all other assets (see instructions). | 1c | 0 |
| d | Total (add lines 1a, b, and c). | 1d | 2,275,624 |
| 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 | |
| 3 | Subtract line 2 from line 1d. | 3 | 2,275,624 |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions). | 4 | 34,134 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4. | 5 | 2,241,490 |
| 6 | Minimum investment return. Enter 5% of line 5. | 6 | 112,075 |

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 | 112,075 |
| 2a | Tax on investment income for 2016 from Part VI, line 5. | 2a | 506 |
| b | Income tax for 2016 (This does not include the tax from Part VI). | 2b | |
| c | Add lines 2a and 2b. | 2c | 506 |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1. | 3 | 111,569 |
| 4 | Recoveries of amounts treated as qualifying distributions. | 4 | |
| 5 | Add lines 3 and 4. | 5 | 111,569 |
| 6 | Deduction from distributable amount (see instructions). | 6 | |
| 7 | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1. | 7 | 111,569 |

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 | 136,723 |
| b | Program-related investments—total from Part IX-B. | 1b | |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes. | 2 | |
| 3 | Amounts set aside for specific charitable projects that satisfy the | | |
| a | Suitability test (prior IRS approval required). | 3a | |
| b | Cash distribution test (attach the required schedule). | 3b | |
| 4 | Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4. | 4 | 136,723 |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions). | 5 | 506 |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4. | 6 | 136,217 |

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 2015 | (c) 2015 | (d) 2016 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2016 from Part XI, line 7 | | | | 111,569 |
| 2 Undistributed income, if any, as of the end of 2016 | | | | |
| a Enter amount for 2015 only. | | | 133,249 | |
| b Total for prior years 20____, 20____, 20____ | | | | |
| 3 Excess distributions carryover, if any, to 2016 | | | | |
| a From 2011. | | | | |
| b From 2012. | | | | |
| c From 2013. | | | | |
| d From 2014. | | | | |
| e From 2015. | | | | |
| f Total of lines 3a through e. | | | | |
| 4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>136,723</u> | | | | |
| a Applied to 2015, but not more than line 2a | | | 133,249 | |
| b Applied to undistributed income of prior years (Election required—see instructions). | | | | |
| c Treated as distributions out of corpus (Election required—see instructions). | 0 | | | |
| d Applied to 2016 distributable amount. | | | | 3,474 |
| e Remaining amount distributed out of corpus | | | | |
| 5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a)) | | | | |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | | | | |
| b Prior years' undistributed income Subtract line 4b from line 2b | | | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. | | | | |
| d Subtract line 6c from line 6b Taxable amount—see instructions | | | | |
| e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions | | | | |
| f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017 | | | | 108,095 |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions). | | | | |
| 8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions). | | | | |
| 9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a | | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2012. | | | | |
| b Excess from 2013. | | | | |
| c Excess from 2014. | | | | |
| d Excess from 2015. | | | | |
| e Excess from 2016. | | | | |

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ▶

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

| | Tax year | Prior 3 years | | | (e) Total |
|--|----------|---------------|----------|----------|-----------|
| | (a) 2016 | (b) 2015 | (c) 2014 | (d) 2013 | |
| 2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon | | | | | |
| a "Assets" alternative test—enter | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . . | | | | | |
| c "Support" alternative test—enter | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

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

1 Information Regarding Foundation Managers:

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

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

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

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

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

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

c Any submission deadlines

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

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

| Recipient | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|--|--------------------------------------|-------------------------------------|---------|
| Name and address (home or business) | | | | |
| a <i>Paid during the year</i> See Additional Data Table | | | | |
| Total | | | 3a | 134,248 |
| b <i>Approved for future payment</i> | | | | |
| Total | | | 3b | |

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

[illegible]

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

| | | | |
|--|--------------|------------|-----------|
| 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | Yes | No |
| a Transfers from the reporting foundation to a noncharitable exempt organization of | | | |
| (1) Cash. | 1a(1) | | No |
| (2) Other assets. | 1a(2) | | No |
| b Other transactions | | | |
| (1) Sales of assets to a noncharitable exempt organization. | 1b(1) | | No |
| (2) Purchases of assets from a noncharitable exempt organization. | 1b(2) | | No |
| (3) Rental of facilities, equipment, or other assets. | 1b(3) | | No |
| (4) Reimbursement arrangements. | 1b(4) | | No |
| (5) Loans or loan guarantees. | 1b(5) | | No |
| (6) Performance of services or membership or fundraising solicitations. | 1b(6) | | No |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. | 1c | | No |
| 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 |
|--------------------------|--------------------------|---------------------------------|
| | | |
| | | |
| | | |
| | | |

| | | | |
|------------------|--|------------|-------|
| 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. | | |
| | ***** | 2017-05-24 | ***** |
| | Signature of officer or trustee | Date | 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 if self-employed <input checked="" type="checkbox"/> | PTIN P00072674 |
| | Firm's name ▶ Blazek & Vetterling | | | | Firm's EIN ▶ |
| | Firm's address ▶ 2900 Wesleyan Suite 200 Houston, TX 770275132 | | | | Phone no (713) 439-5739 |

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

| Recipient | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|--------------------------------|----------------------------------|---------|
| Name and address (home or business) | | | | |
| a Paid during the year | | | | |
| Holocaust Museum of Houston 5401 Caroline St Houston, TX 77004 | N/A | PC | General support | 3,750 |
| Jewish Federation of Greater Housto 5603 S Braeswood Blvd Houston, TX 77096 | N/A | PC | General support | 27,500 |
| The University of Texas MD Anderson 1515 Holcombe Blvd 423 Houston, TX 77030 | N/A | PC | General support | 70,000 |
| Congregation Beth Israel Inc 5600 North Braeswood Blvd Houston, TX 77096 | N/A | PC | General support | 9,042 |
| Covenant House Texas 1111 Lovett Blvd Houston, TX 77006 | N/A | PC | General support | 13,000 |
| 100 Club Inc 5555 San Felipe Houston, TX 77056 | N/A | PC | General support | 100 |
| Houston Jewish Community Foundation 5603 S Braeswood Houston, TX 77096 | N/A | PC | General support | 1,000 |
| American Diabetes Association- Hous 2400 Augusta Drive Suite 1751 Houston, TX 77057 | N/A | PC | General support | 45 |
| Jewish Family Service 4131 S Braeswood Blvd Houston, TX 77025 | N/A | PC | General support | 1,000 |
| Washington Lee University 204 W Washington Lexington, VA 24450 | N/A | PC | General support | 3,000 |
| Alzheimers Disease and Related Diso 2242 W Holcombe Blvd Houston, TX 77030 | N/A | PC | General support | 38 |
| First Liberty Institute 2001 W Plano Pkwy Ste 1600 Plano, TX 75075 | N/A | PC | General support | 500 |
| Be an Angel Fund Inc 2003 Aldine Bender Rd Houston, TX 77032 | N/A | PC | General support | 200 |
| Houston Parks Board 300 N Post Oak Ln Houston, TX 77024 | N/A | PC | General support | 2,000 |
| The Forge for Families Inc 3435 Dixie Dr Houston, TX 77021 | N/A | PC | General support | 3,000 |
| Total ► 3a | | | | 134,248 |

| Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment | | | | |
|--|---|--------------------------------|----------------------------------|---------|
| Recipient | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
| Name and address (home or business) | | | | |
| a Paid during the year | | | | |
| St Jude Childrens Research Hospital 262 Danny Thomas Place MS512 Memphis, TN 38105 | N/A | PC | General support | 20 |
| Paralyzed Veterans of America 6418 FM 2100 Rd Crosby, TX 77532 | N/A | PC | General support | 43 |
| United Service Organizations 2111 Wilson Blvd Ste 1200 Arlington, VA 22201 | N/A | PC | General support | 10 |
| Total ▶ 3a | | | | 134,248 |

TY 2016 Accounting Fees Schedule**Name:** Meyer and Ida Gordon Foundation 2**EIN:** 26-0307538**Software ID:** 16000303**Software Version:** 2016v3.0

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|----------------|--------|--------------------------|------------------------|---|
| Tax compliance | 2,200 | 1,100 | 0 | 1,100 |

TY 2016 Investments - Other Schedule**Name:** Meyer and Ida Gordon Foundation 2**EIN:** 26-0307538**Software ID:** 16000303**Software Version:** 2016v3.0

| Category/ Item | Listed at Cost or FMV | Book Value | End of Year Fair Market Value |
|-------------------------------------|--------------------------|------------|----------------------------------|
| Lincoln ChoicePlus variable annuity | AT COST | 399,977 | 392,669 |

TY 2016 Other Expenses Schedule**Name:** Meyer and Ida Gordon Foundation 2**EIN:** 26-0307538**Software ID:** 16000303**Software Version:** 2016v3.0**Other Expenses Schedule**

| Description | Revenue and Expenses per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|------------------------------|--------------------------------------|--------------------------|------------------------|---|
| Annuity rider fees | 5,250 | 5,250 | | |
| Director liability insurance | 1,375 | | | 1,375 |

TY 2016 Other Income Schedule**Name:** Meyer and Ida Gordon Foundation 2**EIN:** 26-0307538**Software ID:** 16000303**Software Version:** 2016v3.0**Other Income Schedule**

| Description | Revenue And Expenses Per Books | Net Investment Income | Adjusted Net Income |
|-------------|-----------------------------------|--------------------------|---------------------|
| Refunds | 896 | 751 | |

TY 2016 Other Professional Fees Schedule**Name:** Meyer and Ida Gordon Foundation 2**EIN:** 26-0307538**Software ID:** 16000303**Software Version:** 2016v3.0

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------|--------|--------------------------|------------------------|---|
| Investment fees | 6,030 | 6,030 | 0 | 0 |

CORPORATE BONDS
Description

| Acquired | Quantity | Adjusted/Total Cost Basis | Estimated Market Price | Estimated Market Value | Unrealized Gain/(Loss) | Estimated Accrued Interest | Estimated Current Annual Income | Yield% |
|----------|----------|------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|------------------------------------|--------|
| | | 25,058.66 | 100.1960 | 25,049.00 | (9.66) | 608.96 | 1,388 | 5.53 |
| | 25,000 | 25,090.09 | 100.3130 | 25,078.25 | (11.84) | 574.27 | 1,388 | 5.53 |
| | | 24,855.00 | 99.9800 | 24,995.00 | 140.00 | 114.17 | 300 | 1.20 |
| | | 25,013.69 | 100.0750 | 25,018.75 | 5.06 | 142.19 | 407 | 1.62 |

Meyer and Ida Gordon Foundation 2
2016 Form 990-PF

26-0307538

| CORPORATE BONDS (continued) | | | | | | | | | |
|--|-----------------|-----------------|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|--|---------------|
| <i>Description</i> | <i>Acquired</i> | <i>Quantity</i> | <i>Adjusted/Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Estimated Accrued Interest</i> | <i>Estimated Current Annual Income</i> | <i>Yield%</i> |
| Δ ANHEUSER-BUSCH COS INC COMPANY GUARNT 05 600% MAR 01 2017 MOODY'S A3 S&P A- CUSIP 035229DB6 ORIGINAL UNIT/TOTAL COST 104 5470/26,136 75 | 01/19/16 | 25,000 | 25,171 64 | 100 6920 | 25,173.00 | 1 36 | 462 78 | 1,400 | 5 56 |
| Δ SHELL INTERNATIONAL FIN COMPANY GUARNT GLB 05 200% MAR 22 2017 MOODY'S AA2 S&P A CUSIP 822582AC6 ORIGINAL UNIT/TOTAL COST 104 1880/26,047 00 | 02/09/16 | 25,000 | 25 212 86 | 100 8180 | 25,204.50 | (8 36) | 353 89 | 1,300 | 5 15 |
| Δ USD LLOYDS BANK PLC 4 200% MAR 28 2017 MOODY'S A1 S&P A CUSIP 539473AQ1 ORIGINAL UNIT/TOTAL COST 103 2960/25,824 00 | 01/19/16 | 25,000 | 25,169 02 | 100 6850 | 25,171.25 | 2 23 | 268 33 | 1,050 | 4 17 |
| Δ AETNA INC GLB 01 750% MAY 15 2017 MOODY'S BAA2 S&P A- CUSIP 00817YAK4 PAR CALL DATE 04/15/17 PAR CALL PRICE 100 00 ORIGINAL UNIT/TOTAL COST 100 5790/25,144 75 | 07/15/15 | 25,000 | 25,029 88 | 100 0910 | 25,022.75 | (7 13) | 54 69 | 438 | 1 74 |
| Δ RYDER SYSTEM INC SER MTN 03 500% JUN 01 2017 MOODY'S BAA1 S&P BBB+ CUSIP 78355HJR1 ORIGINAL UNIT/TOTAL COST 101 8310/25 457 75 | 07/18/16 | 25,000 | 25,221 95 | 100 8460 | 25,211 50 | (10 45) | 70 49 | 875 | 3 47 |
| Θ FIDELITY NATIONAL INFORM COMPANY GUARNT GLB 01 450% JUN 05 2017 MOODY'S BAA3 S&P BBB CUSIP 31620MAL0 ORIGINAL UNIT/TOTAL COST 99 9650/24 991 25 | 07/07/16 | 25,000 | 24,991 25 | 100 0400 | 25,010.00 | 18 75 | 25 17 | 363 | 1 44 |
| Δ EL PASO CORPORATION COMPANY GUARNT GLB 07 000% JUN 15 2017 MOODY'S BAA3 S&P BBB- CUSIP 28336LBQ1 ORIGINAL UNIT/TOTAL COST 104 2940/35 459 96 | 02/19/16 | 34 000 | 34,515 31 | 102 3200 | 34,788.80 | 273 49 | 99 17 | 2,380 | 6 84 |

| CORPORATE BONDS (continued) | | | | | | | | | |
|------------------------------------|-----------------|-----------------|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|------------------------------------|---------------------------|
| <i>Description</i> | <i>Acquired</i> | <i>Quantity</i> | <i>Adjusted/Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Estimated Accrued Interest</i> | <i>Estimated Annual Income</i> | <i>Current Yield%</i> |
| | | 25 000 | 25,479 55 | 101 9590 | 25,489.75 | 10 20 | 658 85 | 1,438 | 5 63 |
| | | | 25,502 77 | 102 0240 | 25,506.00 | 3 23 | 61 20 | 1,469 | 5 75 |
| Δ UNION BANK CALIF CAYMAN | 01/13/16 | 25,000 | 25,065 94 | 100 3240 | 25,081.00 | 15 06 | 20 66 | 532 | 2 11 |
| | | | 25 790 97 | 103 0430 | 25,760.75 | (30 22) | 621 09 | 1,657 | 6 42 |
| | | 25,000 | 24,910 75 | 99 9490 | 24,987.25 | 76 50 | 121 88 | 325 | 1 30 |
| | | | 25 657 31 | 102 3660 | 25,591.50 | (65 81) | 495 83 | 1,500 | 5 86 |
| | | | 25,709 20 | 102 5670 | 25,641.75 | (67 45) | 419 27 | 1,438 | 5 60 |

| CORPORATE BONDS (continued) | | | | | | | | | |
|--|----------|----------|------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|------------------------------------|--------|
| Description | Acquired | Quantity | Adjusted/Total Cost Basis | Estimated Market Price | Estimated Market Value | Unrealized Gain/(Loss) | Estimated Accrued Interest | Estimated Current Annual Income | Yield% |
| Δ PNC BANK NA SUBORDINATED SER BKNT 04 875% SEP 21 2017 MOODY'S A3 S&P A CUSIP 69349LAC2 ORIGINAL UNIT, TOTAL COST 104 4070/26,101 75 | 03/11/16 | 25,000 | 25,529 11 | 102 3920 | 25,598.00 | 68 89 | 335 16 | 1,219 | 4 76 |
| Δ TYCO ELECTRONICS GROUP S COMPANY GUARNT GLB 06 550% OCT 01 2017 MOODY'S BAA1 S&P A CUSIP 902133AF4 ORIGINAL UNIT, TOTAL COST 106 7410/26 685 25 | 05/19/16 | 25,000 | 25,937 68 | 103 7250 | 25,931.25 | (6 43) | 404 83 | 1,638 | 6 31 |
| Δ ALABAMA POWER CO SER Q 05 500% OCT 15 2017 MOODY'S A1 S&P A CUSIP 010392DZ8 ORIGINAL UNIT/TOTAL COST 106 2250/53,112 50 | 02/09/16 | 50,000 | 51,475 62 | 103 3430 | 51,671.50 | 195 88 | 572 92 | 2,750 | 5 32 |
| Δ CITIGROUP INC GLB 06 125% NOV 21 2017 MOODY'S BAA1 S&P BBB+ CUSIP 172967EM9 ORIGINAL UNIT/TOTAL COST 106 5350/26,633 75 | 03/11/16 | 25,000 | 25,870 67 | 103 8610 | 25,965.25 | 94 58 | 165 89 | 1,532 | 5 89 |
| Δ PACIFIC GAS & ELECTRIC 05 625% NOV 30 2017 MOODY'S A3 S&P BBB+ CUSIP 694308GL5 ORIGINAL UNIT/TOTAL COST 106 7840/53,392 00 | 03/30/16 | 50,000 | 51 887 28 | 103 7100 | 51,855.00 | (32 28) | 234 38 | 2,813 | 5 42 |
| Δ WELLS FARGO COMPANY 05 625% DEC 11 2017 MOODY'S A2 S&P A CUSIP 949746NX5 ORIGINAL UNIT, TOTAL COST 107 1440/53,572 00 | 02/19/16 | 50,000 | 51,888 80 | 103 6760 | 51,838.00 | (50 80) | 148 44 | 2,813 | 5 42 |
| Δ DILLARDS INCORPORATED 06 625% JAN 15 2018 MOODY'S BAA3 S&P BBB- CUSIP 254063AX8 ORIGINAL UNIT, TOTAL COST 106 9700/26,742 50 | 07/18/16 | 25,000 | 26,225 12 | 104 2030 | 26,050.75 | (174 37) | 759 11 | 1,657 | 6 35 |

| CORPORATE BONDS (continued) | | | | | | | | | |
|------------------------------------|-----------------|-----------------|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|------------------------------------|---------------------------|
| <i>Description</i> | <i>Acquired</i> | <i>Quantity</i> | <i>Adjusted/Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Estimated Accrued Interest</i> | <i>Estimated Annual Income</i> | <i>Current Yield%</i> |
| | | | 26,262.48 | 104.6060 | 26,151.50 | (110.98) | 733.33 | 1,600 | 6.11 |
| | | 25,000 | 26,122.03 | 104.2770 | 26,069.25 | (52.78) | 666.25 | 1,463 | 5.61 |
| 05/20/16 | | 25,000 | 25,001.47 | 100.0910 | 25,022.75 | 21.28 | 140.63 | 375 | 1.49 |
| | | | 52,223.05 | 104.3440 | 52,172.00 | (51.05) | 1,031.25 | 2,750 | 5.27 |
| | | | 25,057.81 | 99.9440 | 24,986.00 | (71.81) | 135.76 | 425 | 1.70 |
| | | 52,000 | 51,856.48 | 99.7920 | 51,891.84 | 35.36 | 300.44 | 1,040 | 2.00 |
| | | | 26,656.97 | 105.8490 | 26,462.25 | (194.72) | 356.25 | 1,710 | 6.46 |

| CORPORATE BONDS (continued) | | | | | | | | | |
|---|----------|-----------|------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|------------------------------------|--------|
| Description | Acquired | Quantity | Adjusted/Total Cost Basis | Estimated Market Price | Estimated Market Value | Unrealized Gain/(Loss) | Estimated Accrued Interest | Estimated Current Annual Income | Yield% |
| Δ COLUMBUS SOUTHERN POWER 06.050% MAY 01 2018 MOODY'S BAA1 S&P BBB+ CUSIP 199575AW1 ORIGINAL UNIT TOTAL COST 106,5260 53,263.00 | 11/01/16 | 50,000 | 52,919.40 | 105.3630 | 52,681.50 | (237.90) | 495.76 | 3,025 | 5.74 |
| Δ ASSOCIATES CORP COMPANY GUARNT GIB 06.950% NOV 01 2018 MOODY'S BAA1 S&P BBB+ CUSIP 046003JU4 ORIGINAL UNIT TOTAL COST 110,1880 55,094.00 | 11/01/16 | 50,000 | 54,694.22 | 108.5230 | 54,261.50 | (432.72) | 569.51 | 3,475 | 6.40 |
| JPMORGAN CHASE & CO NOTES VAR% PERPETUAL MOODY'S BAA3 S&P BBB CUSIP 46625HHA1 PAR CALL DATE 04/30/18 PAR CALL PRICE 100.00 | 10/19/16 | 100,000 | 103,375.00 | 103.5500 | 103,550.00 | 175.00 | 1,316.67 | 7,900 | 7.62 |
| TOTAL | | 1,136,000 | 1,166,429.03 | | 1,165,939.14 | (489.89) | 13,539.47 | 57,833 | 4.96 |

| PREFERRED STOCKS | | | | | | | | | |
|--|-----------------|-----------------|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|--|---------------|
| <i>Description</i> | <i>Acquired</i> | <i>Quantity</i> | <i>Adjusted/Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Estimated Accrued Interest</i> | <i>Estimated Current Annual Income</i> | <i>Yield%</i> |
| BANK OF AMERICA CORP NON-CUM PREFERRED STOCK 6.20% PERPETUAL SERIES CC MOODY'S BAA2 S&P BB+ CUSIP 060505286 | 07/21/16 | 3,000 | 80,070.00 | 25.2400 | 75,720.00 | (4,350.00) | | 4,650 | 6.14 |
| CAPITAL ONE FINANCIAL CO NON-CUM PREFERRED STOCK 6.00% SERIES H PERPETUAL MOODY'S BAA3 S&P *** CUSIP 14040H840 | 11/21/16 | 2,000 | 50,000.00 | 24.9000 | 49,800.00 | (200.00) | | | |
| HSBC HOLDINGS PLC SUB CAP SEC 8.125% PFD STK MOODY'S BAA1 S&P BBB- CUSIP 404280703 | 03/21/11 | 500 | 13,555.00 | 25.9500 | 12,975.00 | (580.00) | | 1,016 | 7.82 |
| JPMORGAN CHASE & CO SER BB NON-CUM PFD STK 6.15% PERPETUAL MOODY'S BAA3 S&P BBB- CUSIP 48127V827 | 12/05/16 | 2,000 | 50,898.00 | 25.5900 | 51,180.00 | 282.00 | | 3,075 | 6.00 |
| TOTAL | | 7,500 | 194,523.00 | | 189,675.00 | (4,848.00) | | 8,741 | 4.61 |

| EQUITIES | | | | | | | | | |
|-----------------------|---------------|-----------------|-----------------|------------------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|---|
| <i>Description</i> | <i>Symbol</i> | <i>Acquired</i> | <i>Quantity</i> | <i>Unit Cost Basis</i> | <i>Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Estimated Current Annual Income Yield%</i> |
| KINDER MORGAN INC DEL | KMI | 06/05/15 | 2,000 | 40.4500 | 80,900.00 | 20.7100 | 41,420.00 | (39,480.00) | 1,000 2.41 |
| TOTAL | | | | | 80,900.00 | | 41,420.00 | (39,480.00) | 1,000 2.41 |

| MUTUAL FUNDS/CLOSED END FUNDS/UIT | | | | | | | | | |
|--|-----------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--|--|---------------|
| <i>Description</i> | <i>Quantity</i> | <i>Total Cost Basis</i> | <i>Estimated Market Price</i> | <i>Estimated Market Value</i> | <i>Unrealized Gain/(Loss)</i> | <i>Total Client Investment</i> | <i>Cumulative Investment Return (\$)</i> | <i>Estimated Annual Current Income</i> | <i>Yield%</i> |
| - - - - - | | 98,074.50 | 37.2100 | 93,025.00 | (5,049.50) | 98,074 | (5,049) | 5,446 | 5.85 |
| | | 54,192.15 | 19.5800 | 29,370.00 | (24,822.15) | 54,192 | (24,822) | 3,301 | 11.23 |
| | | 103,817.92 | 4.3000 | 99,833.10 | (3,984.82) | 103,592 | (3,758) | 4,040 | 4.04 |
| | | 94,000.00 | 4.5500 | 91,000.00 | (3,000.00) | 94,000 | (3,000) | 2,060 | 2.26 |
| | | 49,992.80 | 8.1300 | 48,617.40 | (1,375.40) | 49,992 | (1,375) | 2,440 | 5.01 |

| MUTUAL FUNDS/CLOSED END FUNDS/UIT (continued) Description | Quantity | Total Cost Basis | Estimated Market Price | Estimated Market Value | Unrealized Gain/(Loss) | Total Client Investment | Cumulative Investment Return (\$) | Estimated Annual Current Income | Yield% |
|--|----------|---------------------|---------------------------|---------------------------|---------------------------|----------------------------|---|---------------------------------------|--------|
| 8610 Fractional Share | | 7.20 | 8.1300 | 7.00 | | | | 1 | |
| PRINCIPAL HIGH YIELD FUND CL P SYMBOL PYHFX Initial Purchase 05/08/12 Fixed Income 100% 7690 Fractional Share | 3,820 | 29,994.06 | 7.3200 | 27,962.40 | (2,031.66) | 29,994 | (2,031) | 1,719 | 6.14 |
| TEMPLETON GBLB BOND FD ADV CL SYMBOL TGBAX Initial Purchase 03/28/12 Fixed Income 100% 1040 Fractional Share | 3,058 | 39,998.64 | 11.9600 | 36,573.68 | (3,424.96) | 39,998 | (3,424) | 942 | 2.57 |
| VICTORY FLOATING RATE FUND CL Y SYMBOL RSFYX Initial Purchase 12/03/13 Fixed Income 100% 4420 Fractional Share | 7,267 | 74,995.44 | 9.7200 | 70,635.24 | (4,360.20) | 74,995 | (4,360) | 3,612 | 5.11 |
| WELLS FARGO SHORT TERM HIGH YIELD BD FD CL INST SYMBOL STYIX Initial Purchase 03/27/12 Fixed Income 100% 3120 Fractional Share | 1,829 | 14,997.44 | 8.0800 | 14,778.32 | (219.12) | 14,997 | (219) | 482 | 3.25 |
| Subtotal (Fixed Income) | | | | 482,450.07 | | | | | |
| Subtotal (Equities) | | | | 29,370.00 | | | | | |
| TOTAL | | 560,088.87 | | 511,820.07 | (48,268.80) | | (48,038) | 24,048 | 4.70 |

| | Book Value (Cost Basis) | Fair Market Value |
|---------------------------|----------------------------|----------------------|
| Preferred Stocks (Page 1) | 194,523 | 189,675 |
| Equities (Page 2) | 80,900 | 41,420 |
| Mutual Funds (Page 2-3) | 560,089 | 511,820 |
| Total Part II, Line 10b | 835,512 | 742,915 |