

EXTENDED TO NOVEMBER 16, 2020

## Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

Form 990-PF

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990PF](http://www.irs.gov/Form990PF) for instructions and the latest information.

OMB No 1545-0047

2019

Open to Public Inspection

For calendar year 2019 or tax year beginning

, and ending

Name of foundation <b>ALBERT &amp; ETHEL HERZSTEIN CHARITABLE FOUNDATION</b>		A Employer identification number <b>74-6070484</b>
Number and street (or P O box number if mail is not delivered to street address) <b>6131 WESTVIEW</b>	Room/suite	B Telephone number <b>713-681-7868</b>
City or town, state or province, country, and ZIP or foreign postal code <b>HOUSTON, TX 77055</b>		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) <b>\$ 101,290,816.</b>	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		5,223,251.	3,954,785.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		910,008.			
b Gross sales price for all assets on line 6a <b>2,341,989.</b>			910,008.		
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		10,955.	-260,127.		STATEMENT 2
12 Total. Add lines 1 through 11		6,144,214.	4,604,666.		
13 Compensation of officers, directors, trustees, etc		422,875.	169,150.		253,725.
14 Other employee salaries and wages		221,417.	80,011.		141,406.
15 Pension plans, employee benefits		72,500.	29,000.		43,500.
16a Legal fees STMT 3		3,750.	938.		2,813.
b Accounting fees STMT 4		41,600.	10,400.		31,200.
c Other professional fees STMT 5		18,443.	16,635.		1,808.
17 Interest					
18 Taxes STMT 6		109,759.	12,313.		18,469.
19 Depreciation and depletion		10,053.	10,053.		
20 Occupancy					
21 Travel, conferences, and meetings		25,491.	14,019.		11,472.
22 Printing and publications					
23 Other expenses STMT 7		142,786.	63,803.		78,982.
24 Total operating and administrative expenses. Add lines 13 through 23		1,068,674.	406,322.		583,375.
25 Contributions, gifts, grants paid		4,121,140.			4,121,140.
26 Total expenses and disbursements. Add lines 24 and 25		5,189,814.	406,322.		4,704,515.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		954,400.			
b Net investment income (if negative, enter -0-)			4,198,344.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		1,034,398.	856,513.	856,513.
	2	Savings and temporary cash investments		246,451.	1,477,637.	1,477,637.
	3	Accounts receivable ▶ 1,445,918.				
		Less: allowance for doubtful accounts ▶		790,104.	1,445,918.	1,445,918.
	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		72,720.	151,360.	151,360.
	10a	Investments - U.S. and state government obligations STMT 9		19,514.	20,322.	20,322.
	b	Investments - corporate stock STMT 10		32,016,995.	33,744,188.	33,744,188.
	c	Investments - corporate bonds STMT 11		286,246.	315,686.	315,686.
	11	Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment basis ▶ 99,423.					
	Less accumulated depreciation STMT 12 ▶ 94,905.		14,570.	4,518.	4,518.	
15	Other assets (describe ▶ STATEMENT 13)		63,494,394.	63,274,674.	63,274,674.	
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		97,975,392.	101,290,816.	101,290,816.	
Liabilities	17	Accounts payable and accrued expenses			79,611.	
	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)		0.	79,611.		
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here ▶ <input checked="" type="checkbox"/> and complete lines 24, 25, 29, and 30.					
	24	Net assets without donor restrictions		97,975,392.	101,211,205.	
	25	Net assets with donor restrictions				
	Foundations that do not follow FASB ASC 958, check here ▶ <input type="checkbox"/> and complete lines 26 through 30.					
	26	Capital stock, trust principal, or current funds				
	27	Paid-in or capital surplus, or land, bldg., and equipment fund				
	28	Retained earnings, accumulated income, endowment, or other funds				
29	Total net assets or fund balances		97,975,392.	101,211,205.		
30	Total liabilities and net assets/fund balances		97,975,392.	101,290,816.		

**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 29 (must agree with end-of-year figure reported on prior year's return)	1	97,975,392.
2	Enter amount from Part I, line 27a	2	954,400.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	2,281,413.
4	Add lines 1, 2, and 3	4	101,211,205.
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 29	6	101,211,205.

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**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (for example, 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 <b>SEE ATTACHED STATEMENT</b>			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a			
b			
c			
d			
e <b>2,341,989.</b>		<b>1,431,981.</b>	<b>910,008.</b>

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			<b>910,008.</b>

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	<b>910,008.</b>
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	<b>N/A</b>

**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 doesn't 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))
2018	<b>4,551,279.</b>	<b>100,872,072.</b>	<b>.045119</b>
2017	<b>5,273,174.</b>	<b>102,751,379.</b>	<b>.051320</b>
2016	<b>4,518,981.</b>	<b>94,568,220.</b>	<b>.047785</b>
2015	<b>4,788,091.</b>	<b>92,755,758.</b>	<b>.051620</b>
2014	<b>5,156,610.</b>	<b>100,268,267.</b>	<b>.051428</b>

2 Total of line 1, column (d)	2	<b>.247272</b>
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	<b>.049454</b>
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	<b>100,647,935.</b>
5 Multiply line 4 by line 3	5	<b>4,977,443.</b>
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	<b>41,983.</b>
7 Add lines 5 and 6	7	<b>5,019,426.</b>
8 Enter qualifying distributions from Part XII, line 4	8	<b>4,704,515.</b>

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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**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 type="checkbox"/> and enter 1% of Part I, line 27b		1	83,967.
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	0.
3 Add lines 1 and 2		3	83,967.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	83,967.
6 Credits/Payments:			
a 2019 estimated tax payments and 2018 overpayment credited to 2019	6a	78,640.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	78,640.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	5,327.	
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 2020 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the 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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input 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 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 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 2019 or the tax year beginning in 2019? See the 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	<b>STMT 14</b>	<b>Yes</b>	<b>No</b>
	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			X
	12		
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>WWW.HERZSTEINFUNDATION.ORG</b>	13	X	
14 The books are in care of ► <b>L. MICHAEL HAJTMAN</b> Telephone no. ► <b>713-681-7868</b>			
Located at ► <b>6131 WESTVIEW, HOUSTON, TX</b> ZIP+4 ► <b>77055</b>			
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 2019, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	<b>Yes</b>	<b>No</b>
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►			X

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

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

1a During the year, did the foundation (either directly or indirectly):		<b>Yes</b>	<b>No</b>
(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 Organizations relying on a current notice regarding disaster assistance, check here	► <input type="checkbox"/>	1b	X
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 2019?		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 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019?	<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019.)		3b	X
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 2019?		4b	X

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

<p><b>5a</b> During the year, did the foundation pay or incur any amount to:</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p><b>b</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 <span style="float:right"><input type="checkbox"/></span></p> <p>Organizations relying on a current notice regarding disaster assistance, check here <span style="float:right"><input type="checkbox"/></span></p> <p><b>c</b> 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? <span style="float:right"><b>N/A</b> <input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>If "Yes," attach the statement required by Regulations section 53.4945-5(d).</p> <p><b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p><b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p>If "Yes" to 6b, file Form 8870.</p> <p><b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p> <p><b>b</b> If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? <span style="float:right"><b>N/A</b></span></p> <p><b>8</b> Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;"></th> <th style="width:25%; text-align: center;">Yes</th> <th style="width:25%; text-align: center;">No</th> </tr> <tr> <td><b>5b</b></td> <td></td> <td align="center"><b>X</b></td> </tr> <tr> <td><b>6b</b></td> <td></td> <td align="center"><b>X</b></td> </tr> <tr> <td><b>7b</b></td> <td></td> <td></td> </tr> </table>		Yes	No	<b>5b</b>		<b>X</b>	<b>6b</b>		<b>X</b>	<b>7b</b>		
	Yes	No											
<b>5b</b>		<b>X</b>											
<b>6b</b>		<b>X</b>											
<b>7b</b>													

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

**1 List all officers, directors, trustees, and 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
SEE STATEMENT 15		422,875.	40,181.	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
KARA BOLEYN	GRANTS ADMIN.			
6131 WESTVIEW, HOUSTON, TX 77055	30.00	62,500.	9,375.	0.
ALAN CHANG	CONTROLLER			
6131 WESTVIEW, HOUSTON, TX 77055	20.00	56,167.	8,425.	0.
KRISTINA GANTZ	ADMIN. ASST.			
6131 WESTVIEW, HOUSTON, TX 77055	26.80	42,992.	6,449.	0.

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

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

**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

Total number of others receiving over \$50,000 for professional services 0

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

**Part IX-B** Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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**ALBERT & ETHEL HERZSTEIN  
CHARITABLE FOUNDATION**

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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	34,983,664.
b	Average of monthly cash balances	1b	2,891,054.
c	Fair market value of all other assets	1c	64,305,927.
d	Total (add lines 1a, b, and c)	1d	102,180,645.
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	102,180,645.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,532,710.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	100,647,935.
6	Minimum investment return. Enter 5% of line 5	6	5,032,397.

**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	5,032,397.
2a	Tax on investment income for 2019 from Part VI, line 5	2a	83,967.
b	Income tax for 2019. (This does not include the tax from Part VI.)	2b	120,334.
c	Add lines 2a and 2b	2c	204,301.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4,828,096.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	4,828,096.
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	4,828,096.

**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	4,704,515.
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	4,704,515.
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	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	4,704,515.

**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 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				4,828,096.
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only			3,741,802.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2019:				
a From 2014				
b From 2015				
c From 2016				
d From 2017				
e From 2018				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2019 from Part XII, line 4: ▶ \$ 4,704,515.				
a Applied to 2018, but not more than line 2a			3,741,802.	
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 2019 distributable amount				962,713.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2019 (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	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2018. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2019. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				3,865,383.
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)	0.			
8 Excess distributions carryover from 2014 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2015				
b Excess from 2016				
c Excess from 2017				
d Excess from 2018				
e Excess from 2019				

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**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 2019, 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)

	Tax year				Prior 3 years	(e) Total
	(a) 2019	(b) 2018	(c) 2017	(d) 2016		
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed						
b 85% of line 2a						
c Qualifying distributions from Part XII, line 4, for each year listed						
d Amounts included in line 2c not used directly for active conduct of exempt activities						
e Qualifying distributions made directly for active conduct of exempt activities.						
3 Subtract line 2d from line 2c						
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 foundation had \$5,000 or more in assets at any time during the year-see instructions.)

- 1 **Information Regarding Foundation Managers:**
- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- NONE**
- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- NONE**
- 2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., 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:
- SEE STATEMENT 16**
- 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:

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**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
<b>a Paid during the year</b>				
SEE ATTACHED STATEMENT OF DONATIONS VARIOUS VARIOUS, TX 77055	NONE	501(C)(3)	CHARITABLE	4,121,140.
<b>Total</b>			<b>3a</b>	4,121,140.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			<b>3b</b>	0.

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Enter gross amounts unless otherwise indicated.

(See worksheet in line 13 instructions to verify calculations.)

2019.05000 ALBERT & ETHEL HERZSTEIN CH 07819 2

**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	VANGUARD #4700	P	VARIOUS	12/31/19
b	VANGUARD #1561 (SALIENT)	P	VARIOUS	12/31/19
c	VANGUARD #1561 (SALIENT)	P	VARIOUS	12/31/19
d	FIDELITY #3907 (CALAMOS)	P	VARIOUS	12/31/19
e	FIDELITY #3907 (CALAMOS)	P	VARIOUS	12/31/19
f	T ROWE #0241	P	VARIOUS	12/31/19
g	T ROWE #6266	P	VARIOUS	12/31/19
h				
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 800,000.		330,508.	469,492.
b 46,590.		57,325.	-10,735.
c 368,213.		243,866.	124,347.
d 91,754.		85,277.	6,477.
e 285,432.		262,012.	23,420.
f 250,000.		140,812.	109,188.
g 500,000.		312,181.	187,819.
h			
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			469,492.
b			-10,735.
c			124,347.
d			6,477.
e			23,420.
f			109,188.
g			187,819.
h			
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	910,008.
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

FORM 990-PF		DIVIDENDS AND INTEREST FROM SECURITIES			STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
DIVIDENDS AND INTEREST	5,223,251.	0.	5,223,251.	3,954,785.		
TO PART I, LINE 4	5,223,251.	0.	5,223,251.	3,954,785.		

FORM 990-PF		OTHER INCOME		STATEMENT	2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME		
GAAP P'SHIP INCOME	4,276.	0.			
ROYALTY INCOME	1,049.	1,049.			
OTHER INVESTMENT INCOME	5,630.	5,630.			
NON-UTBI P'SHIP INCOME	0.	-266,806.			
TOTAL TO FORM 990-PF, PART I, LINE 11	10,955.	-260,127.			

FORM 990-PF		LEGAL FEES		STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL	3,750.	938.		2,813.	
TO FM 990-PF, PG 1, LN 16A	3,750.	938.		2,813.	

## FORM 990-PF

## ACCOUNTING FEES

## STATEMENT

4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	41,600.	10,400.		31,200.
TO FORM 990-PF, PG 1, LN 16B	41,600.	10,400.		31,200.

## FORM 990-PF

## OTHER PROFESSIONAL FEES

## STATEMENT

5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	16,032.	16,032.		0.
OTHER PROFESSIONAL EXPENSES	2,411.	603.		1,808.
TO FORM 990-PF, PG 1, LN 16C	18,443.	16,635.		1,808.

## FORM 990-PF

## TAXES

## STATEMENT

6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
990PF TAX EXPENSE	78,977.	0.		0.
PAYROLL TAXES	30,782.	12,313.		18,469.
TO FORM 990-PF, PG 1, LN 18	109,759.	12,313.		18,469.



FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EMPLOYEE HEALTH INSURANCE	39,244.	29,433.		9,811.	
SOFTWARE LICENSE FEES	22,668.	10,200.		12,468.	
SUBSCRIPTIONS	5,861.	1,465.		4,396.	
BANK SERVICE FEES	3,839.	1,535.		2,303.	
TELEPHONE	6,388.	1,597.		4,791.	
MEMBERSHIP FEES & DUES	1,356.	678.		678.	
MISCELLANEOUS	10,990.	1,707.		9,283.	
INSURANCE	11,670.	2,918.		8,752.	
OFFICE EXPENSE	40,770.	14,270.		26,500.	
TO FORM 990-PF, PG 1, LN 23	142,786.	63,803.		78,982.	

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES			STATEMENT	8
DESCRIPTION	AMOUNT				
UNREALIZED G/L ON ASSETS	2,271,362.				
PRIOR PERIOD ADJUSTMENT	10,051.				
TOTAL TO FORM 990-PF, PART III, LINE 3	2,281,413.				

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	9
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
VANGUARD TREASURY FD	X		20,322.	20,322.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			20,322.	20,322.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS					
TOTAL TO FORM 990-PF, PART II, LINE 10A			20,322.	20,322.	

FORM 990-PF	CORPORATE STOCK	STATEMENT 10
-------------	-----------------	--------------

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
VANGUARD STOCK FUNDS	11,455,886.	11,455,886.
MATTHEWS PACIFIC TIGER FUND	2,275,671.	2,275,671.
T ROWE PRICE FUNDS	4,074,692.	4,074,692.
CALAMOS STOCK PORTFOLIO	1,406,337.	1,406,337.
SALIENT PARTNERS FUNDS	1,734,630.	1,734,630.
DFA FUNDS	1,896,097.	1,896,097.
BLACKSTONE MINERALS	10,900,875.	10,900,875.
TOTAL TO FORM 990-PF, PART II, LINE 10B	33,744,188.	33,744,188.

FORM 990-PF	CORPORATE BONDS	STATEMENT 11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CALAMOS CORPORATE BOND PORTFOLIO	304,595.	304,595.
T ROWE PRICE FUNDS	11,091.	11,091.
TOTAL TO FORM 990-PF, PART II, LINE 10C	315,686.	315,686.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 12
-------------	--	--------------

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE/ELECTRONICS	99,423.	94,905.	4,518.
TOTAL TO FM 990-PF, PART II, LN 14	99,423.	94,905.	4,518.

FORM 990-PF

OTHER ASSETS

STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PARTNERSHIPS	7,752,357.	7,101,823.	7,101,823.
INVESTMENT IN HERZSTEIN INVESTMENTS, INC	55,742,037.	56,172,851.	56,172,851.
TO FORM 990-PF, PART II, LINE 15	63,494,394.	63,274,674.	63,274,674.

## STATEMENT 14

EMPLOYER ID NO

76-0694434

EXCESS BUSINESS HOLDING [ ] YES [X] NO

6131 WESTVIEW  
HOUSTON, TX 77055

## STATEMENT 15

EMPLOYEE  
BEN PLAN EXPENSE  
CONTRIB ACCOUNT

0.

0.

0.

0.

0.

0.

ROBERT SHOSS	DIRECTOR			
6131 WESTVIEW	1.00	20,000.	0.	0.
HOUSTON, TX 77055				
GEORGE STRAKE III	DIRECTOR			
6131 WESTVIEW	1.00	20,000.	0.	0.
HOUSTON, TX 77055				
JUSTINA MASARYK	EXECUTIVE DIRECTOR			
6131 WESTVIEW	30.00	106,875.	16,031.	0.
HOUSTON, TX 77055				
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		422,875.	40,181.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 16

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

MICHAEL HAJTMAN  
6131 WESTVIEW  
HOUSTON, TX 77055

TELEPHONE NUMBER

(713) 681-7868

FORM AND CONTENT OF APPLICATIONS

AMT REQUESTED, CHARITABLE PURPOSE & TAX EXEMPT STATUS OF REQUESTING  
ORGANIZATION.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

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990-PF	INVOLVEMENT WITH NONCHARITABLE ORGANIZATIONS	STATEMENT 17
	PART XVII, LINE 1, COLUMN (D)	

---

NAME OF NONCHARITABLE EXEMPT ORGANIZATION

---

HERZSTEIN INVESTMENTS, INC.

DESCRIPTION OF TRANSFERS, TRANSACTIONS, AND SHARING ARRANGEMENTS

---

SHARING SPACE AND EMPLOYEES WITH A 501(C)(2) ORGANIZATION

---

990-PF	AFFILIATION WITH TAX-EXEMPT ORGANIZATIONS	STATEMENT 18
	PART XVII, LINE 2, COLUMN (C)	

---

NAME OF AFFILIATED OR RELATED ORGANIZATION

---

HERZSTEIN INVESTMENTS, INC.

DESCRIPTION OF RELATIONSHIP WITH AFFILIATED OR RELATED ORGANIZATION

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ALBERT & ETHEL HERZSTEIN CHARITABLE FOUNDATION IS THE SOLE OWNER AND MAINTAINS CONTROL OVER HERZSTEIN INVESTMENTS, INC., A TITLE-HOLDING CORPORATION, AS DESCRIBED IN SECTION 501(C)(2) OF THE CODE.



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990-066

[illegible]

928111 04-01-19

(D) - Asset disposed

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