

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

# 2001

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

For calendar year 2001, or tax year beginning **OCT 1, 2001**, and ending **SEP 30, 2002**

G Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization <b>THE JACKSON FOUNDATION</b> Number and street (or P.O. box number if mail is not delivered to street address) Room/suite <b>5005 WOODWAY, SUITE 200</b> City or town, state, and ZIP code <b>HOUSTON, TX 77056</b>	A Employer identification number <b>76-0554322</b> B Telephone number <b>713-850-9033</b>
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		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 1,636,688.</b>		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</i>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>				
1 Contributions, gifts, grants, etc., received <small>Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B</small>				
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	1,003.	872.		STATEMENT 2
4 Dividends and interest from securities	21,261.	21,261.		STATEMENT 3
5a Gross rents				
b (Net rental income or (loss))				
6a Net gain or (loss) from sale of assets not on line 10	<211,906.>			STATEMENT 1
b Gross sales price for all assets on line 6a	544,106.			
7 Capital gain net income (from Part IV, line 2)		0.		
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	16,502.	16,502.	0.	STATEMENT 4
12 Total. Add lines 1 through 11	<173,140.>	38,635.	0.	
<b>Operating and Administrative Expenses</b>				
13 Compensation of officers, directors, trustees, etc.	3,800.	2,280.	0.	1,520.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees <b>STMT 5</b>	4,000.	2,000.	0.	2,000.
c Other professional fees <b>STMT 6</b>	38,002.	26,002.	0.	12,000.
17 Interest				
18 Taxes <b>STMT 7</b>	619.	415.	0.	204.
19 Depreciation and depletion	850.	0.	0.	
20 Occupancy	1,800.	900.	0.	900.
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses <b>STMT 8</b>	4,852.	2,048.	0.	2,804.
24 Total operating and administrative expenses. Add lines 13 through 23	53,923.	33,645.	0.	19,428.
25 Contributions, gifts, grants paid	100,800.			100,800.
26 Total expenses and disbursements. Add lines 24 and 25	154,723.	33,645.	0.	120,228.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<327,863.>			
b Net investment income (if negative, enter -0-)		4,990.		
c Adjusted net income (if negative, enter -0-)			0.	

<b>Part II Balance Sheets</b>		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		
<b>Assets</b>	1	Cash - non-interest-bearing		3,762.	10,450.	10,450.
	2	Savings and temporary cash investments		26,742.	12,197.	12,197.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable	166,874.			
		Less: allowance for doubtful accounts		200,208.	166,874.	166,874.
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 9	1,894,103.	1,447,167.	1,447,167.
	c	Investments - corporate bonds				
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment: basis	850.				
	Less: accumulated depreciation	STMT 10	850.			
15	Other assets (describe )					
16	<b>Total assets</b> (to be completed by all filers)		2,124,815.	1,636,688.	1,636,688.	
<b>Liabilities</b>	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				
	22	Other liabilities (describe )				
23	<b>Total liabilities</b> (add lines 17 through 22)		0.	0.		
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/>					
	<b>and complete lines 24 through 26 and lines 30 and 31.</b>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/>					
	<b>and complete lines 27 through 31.</b>					
	27	Capital stock, trust principal, or current funds		0.	0.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds		0.	<488,127.>		
30	<b>Total net assets or fund balances</b>		2,124,815.	1,636,688.		
31	<b>Total liabilities and net assets/fund balances</b>		2,124,815.	1,636,688.		

**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	2,124,815.
2	Enter amount from Part I, line 27a	2	<327,863.>
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	1,796,952.
5	Decreases not included in line 2 (itemize) <b>UNREALIZED LOSS</b>	5	160,264.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,636,688.

From 990-PF (2001)

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b	<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	544,106.	756,012.	<211,906.>

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			
b			
c			
d			
e			<211,906.>

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	<211,906.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If "Yes," the organization 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))
2000	158,535.	2,562,421.	.0618692
1999	157,001.	3,042,714.	.0515990
1998	62,806.	2,870,429.	.0218804
1997	0.	4,556,132.	.0000000
1996			

2 Total of line 1, column (d)	2	.1353486
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	.0338372
4 Enter the net value of noncharitable-use assets for 2001 from Part X, line 5	4	2,122,714.
5 Multiply line 4 by line 3	5	71,827.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	50.
7 Add lines 5 and 6	7	71,877.
8 Enter qualifying distributions from Part XII, line 4 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.	8	120,228.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

Table with 11 rows for excise tax calculations. Includes items like 'Exempt operating foundations', 'Domestic organizations', 'Tax under section 511', 'Total credits and payments', and 'Tax due'. Total tax due is 50.00.

Part VII-A Statements Regarding Activities

Table with 13 rows for activity statements. Includes questions about political campaigns, political expenditures, unrelated business income, and state registration. Includes 'Yes/No' columns and specific answers like 'TEXAS' and 'N/A'.

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 organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)

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 page 19 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here

c Did the organization 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 2001?

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 2001, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2001?

If "Yes," list the years

b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.

3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?

b If "Yes," did it have excess business holdings in 2001 as a result of (1) any purchase by the organization 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 organization had excess business holdings in 2001.)

4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?

b Did the organization 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 2001?

5a During the year did the organization pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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)?

Organizations relying on a current notice regarding disaster assistance check here

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

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

6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered "Yes" to 6b, also file Form 8870.

Table with 3 columns: Question ID, Yes, No. Contains 'X' marks for questions 1b, 1c, 2b, 3b, 4a, 4b, 5b, 6b.

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:

Table with 5 columns: (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. Row 1 contains 'SEE STATEMENT 11' and compensation of 3,800.

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

Table with 5 columns: (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. All rows contain 'NONE'.

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

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

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. All rows contain '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.

Table with 2 columns: Activity description, Expenses. Row 1 contains 'N/A'.

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1	N/A	
2		
3	All other program-related investments. See instructions.	
<b>Total.</b> Add lines 1 through 3		0.

**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	1,902,307.
b	Average of monthly cash balances	1b	78,385.
c	Fair market value of all other assets	1c	174,348.
d	<b>Total</b> (add lines 1a, b, and c)	1d	2,155,040.
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	2,155,040.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	32,326.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,122,714.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	106,136.

**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	106,136.
2a	Tax on investment income for 2001 from Part VI, line 5	2a	50.
b	Income tax for 2001. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	50.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	106,086.
4a	Recoveries of amounts treated as qualifying distributions	4a	0.
b	Income distributions from section 4947(a)(2) trusts	4b	0.
c	Add lines 4a and 4b	4c	0.
5	Add lines 3 and 4c	5	106,086.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	106,086.

**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	120,228.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	120,228.
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	50.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	120,178.

**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 2000	(c) 2000	(d) 2001
<b>1</b> Distributable amount for 2001 from Part XI, line 7 .....				106,086.
<b>2</b> Undistributed income, if any, as of the end of 2000:				
<b>a</b> Enter amount for 2000 only .....			100,774.	
<b>b</b> Total for prior years: 19 __, 19 __, 19 __ .....		0.		
<b>3</b> Excess distributions carryover, if any, to 2001:				
<b>a</b> From 1996 .....				
<b>b</b> From 1997 .....				
<b>c</b> From 1998 .....				
<b>d</b> From 1999 .....				
<b>e</b> From 2000 .....				
<b>f</b> Total of lines 3a through e .....	0.			
<b>4</b> Qualifying distributions for 2001 from Part XII, line 4: ▶ \$ 120,228.				
<b>a</b> Applied to 2000, but not more than line 2a ...			100,774.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) ...		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) .....	0.			
<b>d</b> Applied to 2001 distributable amount .....				19,454.
<b>e</b> Remaining amount distributed out of corpus .....	0.			
<b>5</b> Excess distributions carryover applied to 2001 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 .....	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b .....		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions .....		0.		
<b>e</b> Undistributed income for 2000. Subtract line 4a from line 2a. Taxable amount - see instr. ...			0.	
<b>f</b> Undistributed income for 2001. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2002 .....				86,632.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) .....	0.			
<b>8</b> Excess distributions carryover from 1996 not applied on line 5 or line 7 .....	0.			
<b>9</b> Excess distributions carryover to 2002. Subtract lines 7 and 8 from line 6a .....	0.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 1997 ...				
<b>b</b> Excess from 1998 ...				
<b>c</b> Excess from 1999 ...				
<b>d</b> Excess from 2000 ...				
<b>e</b> Excess from 2001 ...				

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 2001, enter the date of the ruling

Empty box for date of ruling

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

Radio buttons for 4942(j)(3) and 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Table with columns: Tax year (a) 2001, Prior 3 years (b) 2000, (c) 1999, (d) 1998, (e) Total

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

Main data table for alternative tests with columns (a) through (e)

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 page 26 of the 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 [X] if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization 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 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 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
<p><i>a Paid during the year</i></p> <p>SEE STATEMENT 12</p>	<p>NONE</p>		<p>TO FUND                      CHARITABLE                      ACTIVITIES</p>	<p>100,800.</p>
<p><b>Total</b> .....</p>				<p><b>3a</b> 100,800.</p>
<p><i>b Approved for future payment</i></p> <p>NONE</p>				
<p><b>Total</b> .....</p>				<p><b>3b</b> 0.</p>





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

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED STATEMENT A	P	VARIOUS	VARIOUS
b	SEE ATTACHED STATEMENT A	P	VARIOUS	VARIOUS
c	JM SMUCKERS - CASH IN LIEU	P	VARIOUS	06/03/02
d	TRAVELERS PPTY CASUALTY	P	VARIOUS	08/20/02
e	TRAVELERS PPTY CASUALTY	P	VARIOUS	08/20/02
f	IMMUNEX CORP - MERGER	P	VARIOUS	07/17/02
g				
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	75,882.		91,839.	<15,957.>
b	460,986.		664,173.	<203,187.>
c	17.			17.
d	10.			10.
e	11.			11.
f	7,200.			7,200.
g				
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			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			<15,957.>
b			<203,187.>
c			17.
d			10.
e			11.
f			7,200.
g			
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	<211,906.>
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 GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD VARIOUS
SEE ATTACHED STATEMENT A	75,882.	91,839.	0.	0.	<15,957.>	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD VARIOUS
SEE ATTACHED STATEMENT A	460,986.	664,173.	0.	0.	<203,187.>	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD 06/03/02
JM SMUCKERS - CASH IN LIEU	17.	0.	0.	0.	17.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
TRAVELERS PPTY CASUALTY	10.	0.	0.	PURCHASED	VARIOUS	08/20/02

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
TRAVELERS PPTY CASUALTY	11.	0.	0.	PURCHASED	VARIOUS	08/20/02

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
IMMUNEX CORP - MERGER	7,200.	0.	0.	PURCHASED	VARIOUS	07/17/02

CAPITAL GAINS DIVIDENDS FROM PART IV						0.
TOTAL TO FORM 990-PF, PART I, LINE 6A						<211,906.>

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
A. G. EDWARDS #700632	574.
MISSOURI ST. LN BOND; 7-15-29	131.
SCHWAB MONEY MARKET	298.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,003.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CYPRESS ASSET MGMT INVS.	21,261.	0.	21,261.
TOTAL TO FM 990-PF, PART I, LN 4	21,261.	0.	21,261.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	AMOUNT
THUNDERBIRD NOTE	16,196.
INCOME TAX REFUND	306.
TOTAL TO FORM 990-PF, PART I, LINE 11, COLUMN A	16,502.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION	4,000.	2,000.	0.	2,000.
TO FORM 990-PF, PG 1, LN 16B	4,000.	2,000.	0.	2,000.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING	24,000.	12,000.	0.	12,000.
INVESTMENT FEES	14,002.	14,002.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	38,002.	26,002.	0.	12,000.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	211.	211.	0.	0.
PAYROLL TAXES	408.	204.	0.	204.
TO FORM 990-PF, PG 1, LN 18	619.	415.	0.	204.

FORM 990-PF OTHER EXPENSES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSES	290.	145.	0.	145.
POSTAGE & DELIVERY	83.	50.	0.	33.
SUPPLIES	150.	90.	0.	60.
MEMBERSHIPS	300.	0.	0.	300.
WIRE TRANSFER FEE	105.	105.	0.	0.
EDUCATION	615.	0.	0.	615.
INTERNET EXPENSES	2,462.	1,231.	0.	1,231.
TELEPHONE	840.	420.	0.	420.
ACCRUED INTEREST	7.	7.	0.	0.
TO FORM 990-PF, PG 1, LN 23	4,852.	2,048.	0.	2,804.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CYPRESS ASSET MGMT	1,447,167.	1,447,167.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,447,167.	1,447,167.

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FORM 990-PF      DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT      STATEMENT 10

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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER HARD DRIVE & MONITOR (USED)	850.	850.	0.
TOTAL TO FM 990-PF, PART II, LN 14	850.	850.	0.

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FORM 990-PF      PART VIII - LIST OF OFFICERS, DIRECTORS      STATEMENT 11  
TRUSTEES AND FOUNDATION MANAGERS

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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DOUGLAS BLAKE JACKSON P.O. BOX 42808-166 HOUSTON, TX 77242	DIRECTOR AS REQUIRED	700.	0.	0.
DON BLAIR P.O. BOX 42808-166 HOUSTON, TX 77242	DIRECTOR AS REQUIRED	800.	0.	0.
PAUL JORNAYVAZ P.O. BOX 42808-166 HOUSTON, TX 77242	DIRECTOR AS REQUIRED	700.	0.	0.
TOM MARTIN P.O. BOX 42808-166 HOUSTON, TX 77242	DIRECTOR AS REQUIRED	800.	0.	0.
CAROL DEASON P.O. BOX 42808-166 HOUSTON, TX 77242	DIRECTOR AS REQUIRED	800.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		3,800.	0.	0.

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Depreciation and Amortization (Including Information on Listed Property) 990-PF See separate instructions. Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

THE JACKSON FOUNDATION

FORM 990-PF PAGE 1

76-0554322

Part I Election To Expense Certain Tangible Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 main rows for Section 179 election. Line 1: Maximum amount 24,000. Line 2: Total cost 850. Line 3: Threshold cost \$200,000. Line 4: Reduction in limitation 0. Line 5: Dollar limitation 24,000. Line 6: Description of property: COMPUTER HARD DRIVE & MONITOR (USED), Cost: 850, Elected cost: 850. Line 7: Listed property amount 7. Line 8: Total elected cost 850. Line 9: Tentative deduction 850. Line 10: Carryover of disallowed deduction 0. Line 11: Business income limitation 24,000. Line 12: Section 179 expense deduction 850. Line 13: Carryover of disallowed deduction to 2002 0.

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

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

Table with 3 rows for Part II. Line 14: Special depreciation allowance 0. Line 15: Property subject to section 168(f)(1) election 0. Line 16: Other depreciation (including ACRS) 0.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2001 0. Line 18: If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here 0.

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 12-year and 40-year class life.

Part IV Summary (See instructions.)

Table with 3 rows for Part IV. Line 21: Listed property amount 0. Line 22: Total amount 850. Line 23: Portion of the basis attributable to section 263A costs 0.

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

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

24a Do you have evidence to support the business/investment use claimed? <input type="radio"/> Yes <input checked="" type="radio"/> No				24b If "Yes," is the evidence written? <input type="radio"/> Yes <input checked="" type="radio"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
	:	%						
	:	%						
	:	%						
27 Property used 50% or less in a qualified business use:								
	:	%				S/L -		
	:	%				S/L -		
	:	%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

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

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

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

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

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

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2001 tax year:					
	:				
43 Amortization of costs that began before your 2001 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**

**Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

<b>Part II</b>			<b>Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.</b>		
Type or print.  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization		Employer identification number		
	THE JACKSON FOUNDATION		76-0554322		
	Number, street, and room or suite no. If a P.O. box, see instructions.		For IRS use only		
	5005 WOODWAY, SUITE 200				
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.				
	HOUSTON, TX 77056				

Check type of return to be filed (File a separate application for each return):

- Form 990     Form 990-EZ     Form 990-T (sec. 401(a) or 408(a) trust)     Form 1041-A     Form 5227     Form 8870
- Form 990-BL     Form 990-PF     Form 990-T (trust other than above)     Form 4720     Form 6069

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- If the organization does **not** have an office or place of business in the United States, check this box  **0**
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box  **0**. If it is for **part** of the group, check this box  **0** and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until AUGUST 15, 2003.

5 For calendar year \_\_\_\_\_, or other tax year beginning OCT 1, 2001 and ending SEP 30, 2002.

6 If this tax year is for less than 12 months, check reason:  Initial return     Final return     Change in accounting period

7 State in detail why you need the extension  
ADDITIONAL TIME IS NEEDED TO GATHER THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 50.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ 100.

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Notice to Applicant - To Be Completed by the IRS**

- We **have** approved this application. Please attach this form to the organization's return.
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We **cannot consider** this application because it was filed after the due date of the return for which an extension was requested.
- Other \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print  123832 07-16-01	Name	MADDOX, THOMSON & ASSOCIATES, P.C.
	Number and street (include suite, room, or apt. no.) Or a P.O. box number	5851 SAN FELIPE, SUITE 700
	City or town, province or state, and country (including postal or ZIP code)	HOUSTON, TEXAS 77057