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GOVERNMENT COPY

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

**2004**

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2004, or tax year beginning **OCT 1, 2004**, and ending **SEP 30, 2005**

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 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>\$ 1,971,977.</b> (Part I, column (d) must be on cash basis.)		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 <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(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			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	504.	504.		STATEMENT 2
	4 Dividends and interest from securities	36,756.	36,756.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<27,911.>			STATEMENT 1
	b Gross sales price for all assets on line 6a	428,392.			
	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	5,408.	5,408.		STATEMENT 4	
12 Total. Add lines 1 through 11	14,757.	42,668.			
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc.	2,250.	1,350.		900.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 5	4,675.	2,338.		2,337.
	c Other professional fees STMT 6	46,447.	29,741.		16,706.
	17 Interest				
	18 Taxes STMT 7	8.	4.		4.
	19 Depreciation and depletion				
	20 Occupancy	1,800.	900.		900.
	21 Travel, conferences, and meetings	75.	38.		37.
	22 Printing and publications	39.	20.		19.
	23 Other expenses STMT 8	3,753.	1,678.		2,075.
	24 Total operating and administrative expenses. Add lines 13 through 23	59,047.	36,069.		22,978.
	25 Contributions, gifts, grants paid	78,984.			78,984.
26 Total expenses and disbursements. Add lines 24 and 25	138,031.	36,069.		101,962.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<123,274.>				
b Net investment income (if negative, enter -0-)		6,599.			
c Adjusted net income (if negative, enter -0-)			N/A		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form **990-PF** (2004)

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		10,930.	2,084.	2,084.
	2	Savings and temporary cash investments		9,332.	3,218.	3,218.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable				
		Less: allowance for doubtful accounts		78,541.		
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock				
	c	Investments - corporate bonds				
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other	STMT 9		1,771,648.	1,966,675.	1,966,675.
14	Land, buildings, and equipment: basis					
	Less: accumulated depreciation					
15	Other assets (describe )					
16	<b>Total assets</b> (to be completed by all filers)			1,870,451.	1,971,977.	1,971,977.
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				
	22	Other liabilities (describe )				
	23	<b>Total liabilities</b> (add lines 17 through 22)			0.	0.
Net Assets or Fund Balances	Organizations 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				
	Organizations 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		1,870,451.	1,971,977.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
30	<b>Total net assets or fund balances</b>		1,870,451.	1,971,977.		
31	<b>Total liabilities and net assets/fund balances</b>		1,870,451.	1,971,977.		

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	1,870,451.
2	Enter amount from Part I, line 27a	2	<123,274.>
3	Other increases not included in line 2 (itemize) UNREALIZED GAIN	3	224,800.
4	Add lines 1, 2, and 3	4	1,971,977.
5	Decreases not included in line 2 (itemize)	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,971,977.

**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 SCHEDULE B ATTACHED		P		
b SEE SCHEDULE B ATTACHED		P		
c ALLIANCE CAPITAL MANAGEMENT		P		
d ALLIANCE CAPITAL MANAGEMENT		P		
e CAPITAL GAINS DIVIDENDS				
(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 59,448.		74,876.	<15,428.>	
b 368,764.		381,437.	<12,673.>	
c			2.	
d			8.	
e 180.			180.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) 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			<15,428.>	
b			<12,673.>	
c			2.	
d			8.	
e			180.	
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	<27,911.>	
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))
2003	88,595.	1,953,895.	.0453428
2002	106,270.	1,774,573.	.0598848
2001	120,178.	2,122,714.	.0566153
2000	158,535.	2,562,421.	.0618692
1999	157,001.	3,042,714.	.0515990
2 Total of line 1, column (d)			.2753111
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			.0550622
4 Enter the net value of noncharitable-use assets for 2004 from Part X, line 5			1,890,597.
5 Multiply line 4 by line 3			104,100.
6 Enter 1% of net investment income (1% of Part I, line 27b)			66.
7 Add lines 5 and 6			104,166.
8 Enter qualifying distributions from Part XII, line 4			101,962.

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)

Table with 11 rows for excise tax calculations. Includes fields for exempt operating foundations, domestic organizations, tax under section 511, add lines 1 and 2, subtitle A tax, tax based on investment income, credits/payments, total credits, penalty, tax due, overpayment, and amount credited to 2005 estimated tax.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about influencing legislation, political purposes, Form 1120-POL filing, political expenditures, reimbursement, IRS reporting, changes in governing instruments, unrelated business income, tax return filing, liquidation, section 508(e) requirements, assets, state reporting, Form 990-PF distribution, private operating foundation status, substantial contributors, public inspection requirements, and Form 1041 filing.

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 20 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 2004?

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 2004, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2004?

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 2004 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 2004.)

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 2004?

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 in the Yes and No columns for various questions.



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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1	N/A	
2		
All other program-related investments. See instructions.		
3		
<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	1,862,133.
b	Average of monthly cash balances	1b	57,255.
c	Fair market value of all other assets	1c	
d	<b>Total</b> (add lines 1a, b, and c)	1d	1,919,388.
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	1,919,388.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	28,791.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,890,597.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	94,530.

**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	94,530.
2a	Tax on investment income for 2004 from Part VI, line 5	2a	132.
b	Income tax for 2004. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	132.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	94,398.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	94,398.
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	94,398.

**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	101,962.
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	101,962.
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	0.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	101,962.

**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 2003	(c) 2003	(d) 2004
1 Distributable amount for 2004 from Part XI, line 7				94,398.
2 Undistributed income, if any, as of the end of 2003:				
a Enter amount for 2003 only			78,076.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2004:				
a From 1999				
b From 2000				
c From 2001				
d From 2002				
e From 2003				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2004 from Part XII, line 4: ▶ \$	101,962.			
a Applied to 2003, but not more than line 2a			78,076.	
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 2004 distributable amount				23,886.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2004 (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 2003. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2004. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2005				70,512.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1999 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2005. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2000				
b Excess from 2001				
c Excess from 2002				
d Excess from 2003				
e Excess from 2004				

**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 2004, 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) 2004	(b) 2003	(c) 2002	(d) 2001	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test - enter:					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test - enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 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  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	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)				
<p><i>a Paid during the year</i></p> <p>SEE SCHEDULE A ATTACHED</p>				78,984.
<p><b>Total</b> .....</p>				<p><b>3a</b> 78,984.</p>
<p><i>b Approved for future payment</i></p> <p>NONE</p>				
<p><b>Total</b> .....</p>				<p><b>3b</b> 0.</p>





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 DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
SEE SCHEDULE B ATTACHED	59,448.	74,876.	0.	PURCHASED 0.		<15,428.>

(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
SEE SCHEDULE B ATTACHED	368,764.	381,437.	0.	PURCHASED 0.		<12,673.>

(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
ALLIANCE CAPITAL MANAGEMENT	0.	0.	0.	PURCHASED 0.		2.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
ALLIANCE CAPITAL MANAGEMENT	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	8.

CAPITAL GAINS DIVIDENDS FROM PART IV	180.
TOTAL TO FORM 990-PF, PART I, LINE 6A	<27,911.>

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

SOURCE	AMOUNT
ALLIANCE CAPITAL MANAGEMENT	3.
ENTERPRISE PRODUCTS PARTNERS	8.
Schwab MM	493.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	504.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ALLIANCE CAPITAL MANAGEMENT	40.	0.	40.
CYPRESS ASSET MGMT INVESTMENTS	36,887.	180.	36,707.
ENTERPRISE PRODUCTS PARTNERS, LP	9.	0.	9.
TOTAL TO FM 990-PF, PART I, LN 4	36,936.	180.	36,756.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	AMOUNT
THUNDERBIRD NOTE	5,408.
TOTAL TO FORM 990-PF, PART I, LINE 11, COLUMN A	5,408.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,675.	2,338.		2,337.
TO FORM 990-PF, PG 1, LN 16B	4,675.	2,338.		2,337.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING	33,412.	16,706.		16,706.
INVESTMENT FEES	13,035.	13,035.		0.
TO FORM 990-PF, PG 1, LN 16C	46,447.	29,741.		16,706.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROPERTY TAXES	8.	4.		4.
TO FORM 990-PF, PG 1, LN 18	8.	4.		4.

FORM 990-PF	OTHER EXPENSES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
POSTAGE & DELIVERY	106.	53.		53.	
SUPPLIES	622.	311.		311.	
MEMBERSHIPS	400.	0.		400.	
TELEPHONE	803.	402.		401.	
FAX LINE	262.	131.		131.	
COMPUTER INTERNET	1,096.	548.		548.	
BANK CHARGES	57.	29.		28.	
SECTION 1231 LOSS	1.	1.		0.	
MISCELLANEOUS	404.	202.		202.	
CHARITABLE CONTRIBUTIONS	2.	1.		1.	
TO FORM 990-PF, PG 1, LN 23	3,753.	1,678.		2,075.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	9
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
CYPRESS ASSET MGMT	1,886,342.	1,886,342.		
ENTERPRISE PRODUCTS PARTNERS, LP	27,698.	27,698.		
ALLIANCE CAPITAL MANAGEMENT HOLDING	52,635.	52,635.		
TOTAL TO FORM 990-PF, PART II, LINE 13	1,966,675.	1,966,675.		

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS  
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DON BLAIR P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR AS REQUIRED	600.	0.	0.
PAUL JORNAYVAZ P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR AS REQUIRED	450.	0.	0.
TOM MARTIN P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR AS REQUIRED	600.	0.	0.
CAROL DEASON P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR AS REQUIRED	600.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		2,250.	0.	0.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

Department of the Treasury Internal Revenue Service

For calendar year 2004 or other tax year beginning OCT 1, 2004, and ending SEP 30, 2005

2004

Header section containing organization name (THE JACKSON FOUNDATION), address (5005 WOODWAY, NO. 200 HOUSTON, TX 77056), and identification number (76-0554322).

H Describe the organization's primary unrelated business activity. SEE STATEMENT 11

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? No

J The books are in care of CAROL DEASON Telephone number 713-850-9033

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Cost of goods sold, and Total (1,939).

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

Table with 4 columns: Line number, Description, Sub-column, Total. Rows include Compensation of officers, Salaries and wages, Repairs and maintenance, and Total deductions (0).

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 35 (Organizations Taxable as Corporations), 36 (Trusts Taxable at Trust Rates), 37 (Proxy tax), 38 (Alternative minimum tax), and 39 (Total).

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 40a-40e (Credits), 41-42 (Taxes), 43 (Total tax), 44a-44f (Payments), 45 (Total payments), 46 (Estimated tax penalty), 47 (Tax due), 48 (Overpayment), and 49 (Credited to 2005 estimated tax).

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 15.)

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 1, 2, and 3 regarding foreign accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold - Enter method of inventory valuation N/A

Table with 4 columns: Line number, Description, Amount, and Yes/No response. Includes lines 1-7 for cost of goods sold and line 8 for section 263A costs.

Sign Here section containing signature of officer, date, title, and preparer information for MADDOX, THOMSON & ASSOCIATES, P.C.

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(See instr. on pg 16.)

Table for Schedule C: Rent Income. Includes columns for Description of property, Rent received or accrued (a) and (b), Deductions directly connected with the income, and Total income vs Total deductions.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 17.)

Table for Schedule E: Unrelated Debt-Financed Income. Includes columns for Description of debt-financed property, Gross income from or allocable to debt-financed property, Deductions directly connected with or allocable to debt-financed property, and various calculated amounts.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 18.)

Table for Schedule F: Interest, Annuities, Royalties, and Rents From Controlled Organizations. Includes columns for Name of Controlled Organization, Employer Identification Number, Net unrelated income (loss), Total of specified payments made, Part of column (4) that is included in the controlling organization's gross income, and Deductions directly connected with income in column (5).

Table for Schedule F: Nonexempt Controlled Organizations. Includes columns for Taxable Income, Net unrelated income (loss), Total of specified payments made, Part of column (9) that is included in the controlling organization's gross income, and Deductions directly connected with income in column (10).

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(See instructions on page 18.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> .....	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(See instructions on page 18.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> .....	0.	0.				0.

**Schedule J - Advertising Income** (See instructions on page 19.)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) .....	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b> .....	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b> .....	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (See instructions on page 19.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
			%
			%
			%
			%
<b>Total</b> - Enter here and on line 14, Part II, page 1 .....			0.

