

January 25, 2010

Ms. Carol Deason
The Jackson Foundation
5005 Woodway, Suite 200
Houston, Texas 77056

Dear Carol:

We are enclosing an original and copy of the 2008 Form 990-PF, Return of Private Foundation and Form 990-T, Exempt Organization Business Income Tax Return for The Jackson Foundation, along with instructions for filing.

In order to avoid a 15% excise tax on undistributed income you will need to distribute \$36,801 for fiscal year ending September 30, 2010.

We are also enclosing a copy of our adjusting journal entries which should be posted in QuickBooks as of 9/30/09 along with a copy of our working trial balance to assist you with your entries.

Please call Joe or me if you have any questions or comments.

Yours very truly,

Stacie L. Gill

SG/dlz

Enclosures

**The Jackson Foundation
Instructions for Filing
Return of Private Foundation
2008 Form 990-PF**

Signature:

The enclosed return should be signed and dated by an officer or trustee on the bottom of page Thirteen. The additional copy should be signed in the same manner and mailed to the state attorney general. Please sign and date the attached file copy in the same manner and retain for your records.

Filing:

The signed original return should be mailed, **on or before** February 16, 2010, in the enclosed envelope to the following:

Internal Revenue Service
Ogden, Utah 84201-0027

The additional copy should be mailed on the same date to the following:

Office of Attorney General of Texas
P.O. Box 12548
Austin, Texas 78711

In order to prove timely filing, we suggest the return be sent certified mail, return receipt requested. The signed receipt should be kept with your file copy of the return.

Please note that, due to security requirements, the US Postal Service will not deliver an envelope or package that bears postage stamps and weighs more than 13 ounces unless you take it to a retail service associate at the Post Office. We suggest that you either use a postage meter or take your tax return to a retail service associate at the post office for mailing.

Payment of Tax:

A check, made payable to the United States Treasury, in the amount of \$33 should be attached to the return before mailing. Please indicate the employer identification number and "2008 Form 990-PF" on the check to assist in the proper application of the payment.

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

2008

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

For calendar year 2008, or tax year beginning **OCT 1, 2008**, and ending **SEP 30, 2009**

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 foundation THE JACKSON FOUNDATION Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 5005 WOODWAY 200 City or town, state, and ZIP code HOUSTON, TX 77056	A Employer identification number 76-0554322 B Telephone number 713-850-9033
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) \$ 1,402,157. (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)
Revenue	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	383.	383.		STATEMENT 2
	4 Dividends and interest from securities	37,896.	37,896.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<149,891.>			STATEMENT 1
	b Gross sales price for all assets on line 6a	292,640.			
	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	2,771.	2,771.		STATEMENT 4	
12 Total. Add lines 1 through 11	<108,841.>	41,050.			
Operating and Administrative Expenses	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	4,775.	2,387.		2,388.
	c Other professional fees	51,177.	30,314.		20,864.
	17 Interest	197.	197.		0.
	18 Taxes	740.	740.		0.
	19 Depreciation and depletion				
	20 Occupancy	1,935.	968.		967.
	21 Travel, conferences, and meetings	99.	49.		50.
	22 Printing and publications				
	23 Other expenses	3,420.	1,706.		1,714.
	24 Total operating and administrative expenses. Add lines 13 through 23	64,593.	37,711.		26,883.
	25 Contributions, gifts, grants paid	73,670.			73,670.
26 Total expenses and disbursements. Add lines 24 and 25	138,263.	37,711.		100,553.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<247,104.>				
b Net investment income (if negative, enter -0-)		3,339.			
c Adjusted net income (if negative, enter -0-)			N/A		

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	16,177.	10,229.	10,229.
	2 Savings and temporary cash investments	33,894.	7,173.	7,173.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	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	1,617,380.	1,384,755.	1,384,755.
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation				
15 Other assets (describe)				
16 Total assets (to be completed by all filers)		1,667,451.	1,402,157.	1,402,157.
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 Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,667,451.	1,402,157.	
	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 Total net assets or fund balances	1,667,451.	1,402,157.		
31 Total liabilities and net assets/fund balances	1,667,451.	1,402,157.		

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	1,667,451.
2 Enter amount from Part I, line 27a	2	<247,104.>
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	1,420,347.
5 Decreases not included in line 2 (itemize) UNREALIZED LOSS	5	18,190.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,402,157.

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 ALLIANCE CAPITAL MANAGEMENT	P	VARIOUS	VARIOUS
b ALLIANCE CAPITAL MANAGEMENT	P	VARIOUS	VARIOUS
c SEE STATEMENT A	P	VARIOUS	VARIOUS
d SEE STATEMENT A	P	VARIOUS	VARIOUS
e ALLIANCE CAPITAL MGMT BASIS ADJ	P	VARIOUS	VARIOUS

(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		125.	<125.>
b 402.			402.
c 20,571.		56,986.	<36,415.>
d 264,150.		385,420.	<121,270.>
e 7,517.			7,517.

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			<125.>
b			402.
c			<36,415.>
d			<121,270.>
e			7,517.

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	<149,891.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2007	104,342.	1,978,618.	.052735
2006	105,705.	2,106,426.	.050182
2005	89,652.	1,971,266.	.045479
2004	101,962.	1,890,597.	.053931
2003	88,595.	1,953,895.	.045343

2 Total of line 1, column (d)	2	.247670
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	.049534
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	1,282,941.
5 Multiply line 4 by line 3	5	63,549.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	33.
7 Add lines 5 and 6	7	63,582.
8 Enter qualifying distributions from Part XII, line 4	8	100,553.

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 foundations, 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 2009 estimated tax.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, Yes, and No. Questions cover political campaign influence, political purposes, Form 1120-POL filing, political expenditures, reimbursement, IRS reporting, changes in governing instruments, unrelated business income, liquidation, section 508(e) requirements, assets, states reported, Form 990-PF distribution, and substantial contributors.

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)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address HTTP://WWW.THEJACKSONFOUNDATION.ORG
14 The books are in care of CAROL DEASON Telephone no. 713-850-9033
Located at 5005 WOODWAY, SUITE 200, HOUSTON, TX ZIP+4 77056
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

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):
(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 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.)
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 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 2008?
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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? 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.)
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?
b If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2008?

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here Yes No

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If you answered "Yes" to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		2,250.	0.	0.

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

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

Total number of other employees paid over \$50,000 Yes No 0

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.

1	Expenses
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.

1	Amount	
N/A		
All other program-related investments. See instructions.		
3		
Total. 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	1,263,990.
b	Average of monthly cash balances	1b	38,488.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,302,478.
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	1,302,478.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	19,537.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,282,941.
6	Minimum investment return. Enter 5% of line 5	6	64,147.

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	64,147.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	33.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	33.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	64,114.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	64,114.
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	64,114.

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	100,553.
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	100,553.
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	33.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	100,520.

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				64,114.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			73,240.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$	100,553.			
a Applied to 2007, but not more than line 2a			73,240.	
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 2008 distributable amount				27,313.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (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 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				36,801.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008				

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 2008, 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) 2008	(b) 2007	(c) 2006	(d) 2005	
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. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see 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 foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

SEE STATEMENT 11

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>				73,670.
<p>Total</p>				73,670.
<p><i>b Approved for future payment</i></p> <p>NONE</p>				
<p>Total</p>				0.

Cypress Asset Management
REALIZED GAINS AND LOSSES
THE JACKSON FOUNDATION
From 10-01-08 Through 09-30-09

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
11-20-01	10-10-08	500.0000	MORGAN STANLEY	24,101	3,726		-20,375
05-15-02	10-10-08	400.0000	MORGAN STANLEY	16,558	2,981		-13,577
12-22-06	10-10-08	100.0000	PRINCIPAL FINANCIAL GROUP	5,872	1,353		-4,519
12-22-06	10-10-08	250.0000	PRINCIPAL FINANCIAL GROUP	14,679	3,381		-11,298
01-18-07	10-10-08	100.0000	PRINCIPAL FINANCIAL GROUP	6,061	1,353		-4,708
07-29-08	10-10-08	600.0000	PROSHARES ULTRA FINANCIALS	12,059	4,498	-7,561	
07-29-08	10-10-08	250.0000	PROSHARES ULTRA FINANCIALS	5,024	1,874	-3,150	
07-29-08	10-10-08	150.0000	PROSHARES ULTRA FINANCIALS	3,015	1,124	-1,890	
11-11-04	10-16-08	700.0000	ALLIANCEBERNSTEIN	27,651	16,853		-10,798
02-01-05	10-16-08	200.0000	ALLIANCEBERNSTEIN	9,012	4,815		-4,197
07-29-08	11-13-08	90.0000	APPLE COMPUTER	14,280	7,834	-6,447	
07-29-08	11-13-08	10.0000	APPLE COMPUTER	1,587	870	-716	
05-19-99	11-13-08	500.0000	ANALOG DEVICES	10,297	9,371		-926
05-19-99	11-13-08	100.0000	ANALOG DEVICES	2,059	1,874		-185
11-15-00	11-13-08	400.0000	ANALOG DEVICES	26,420	7,496		-18,924
12-08-00	11-13-08	200.0000	APPLIED MATERIALS	4,407	1,999		-2,408
01-07-00	11-13-08	500.0000	CITIGROUP	18,772	4,256		-14,516
01-10-08	11-19-08	300.0000	MERRILL LYNCH	15,244	3,278	-11,966	
01-24-08	11-19-08	100.0000	MERRILL LYNCH	5,777	1,093	-4,684	
03-29-06	12-15-08	200.0000	HALLIBURTON	7,348	3,441		-3,907
04-05-06	12-15-08	200.0000	HALLIBURTON	7,576	3,441		-4,135
04-05-06	12-15-08	200.0000	HALLIBURTON	7,575	3,441		-4,134
05-30-07	02-11-09	200.0000	CATERPILLAR	15,604	6,197		-9,407
08-12-05	02-11-09	100.0000	UNITED PARCEL SERVICE	7,323	4,507		-2,816
05-15-02	05-27-09	400.0000	CHEVRON	17,703	26,422		8,718
05-15-02	05-27-09	100.0000	CHEVRON	4,426	6,605		2,179
05-15-02	05-27-09	100.0000	CHEVRON	4,426	6,605		2,179
01-04-00	05-27-09	300.0000	MEDTRONIC	10,476	10,203		-273
01-07-00	05-27-09	300.0000	MEDTRONIC	11,956	10,203		-1,753
01-07-00	05-27-09	200.0000	MEDTRONIC	7,970	6,802		-1,169
08-12-05	05-27-09	300.0000	UNITED PARCEL SERVICE	21,970	15,285		-6,686
12-27-07	05-27-09	500.0000	VARIAN MEDICAL SYSTEMS	26,418	17,976		-8,442
03-06-02	05-29-09	500.0000	QUALCOMM	9,964	21,640		11,676
05-15-02	08-24-09	100.0000	CHEVRON	4,426	7,066		2,640
05-04-04	08-24-09	300.0000	EMERSON ELECTRIC	8,916	10,947		2,031
01-10-08	08-24-09	200.0000	GENZYME	15,674	10,745		-4,929

Cypress Asset Management, Inc.'s Statement of Gains and Losses is based on information supplied to Cypress by clients, brokers, custodians or other third party entities. We rely on this information in preparing the Statement of Gains and Losses and we cannot certify the accuracy of the underlying information. The Statement of Gains and Losses is not a tax reporting document and is not intended to imply tax advice. You must consult your own tax professional and your own original records to verify the accuracy of the information.

Cypress Asset Management
REALIZED GAINS AND LOSSES
THE JACKSON FOUNDATION
From 10-01-08 Through 09-30-09

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
01-07-00	08-24-09	100.0000	JOHNSON&JOHNSON	4,847	6,102		1,255
03-19-99	08-24-09	150.0000	PEPSICO	5,991	8,603		2,612
11-23-99	08-24-09	50.0000	PEPSICO	1,822	2,868		1,046
05-29-07	08-24-09	375.0000	XTO ENERGY	17,118	15,591		-1,527
TOTAL GAINS						0	34,338
TOTAL LOSSES						-36,415	-155,607
TOTAL REALIZED GAIN/LOSS				442,405	284,721	-36,415	-121,270
		-157,685					

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THE JACKSON FOUNDATION

76-0554322

PART XV SUPPLEMENTARY INFORMATION (CONTINUED)

LINE 3a GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR 10/01/08-9/30/09

RECIPIENT NAME AND ADDRESS	RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF CONTRIBUTION	AMOUNT
BOYS AND GIRLS COUNTRY 18806 ROBRTS ROAD HOCKLEY, TEXAS 77447	NONE		CHARITABLE	5,000
THE CHINQUAPIN SCHOOL 2615 E. WALLISVILLE RD. HIGHLANDS, TX 77562	NONE		EDUCATIONAL	5,500
THE PERIWINKLE FOUNDATION 3000 RICHMOND AVE. HOUSTON, TX 77098	NONE		HEALTH	5,000
THE ARBOR SCHOOL 1635 BLALOCK HOUSTON, TEXAS 77080	NONE		EDUCATIONAL	5,070
THE MONARCH SCHOOL 1231 WIRT ROAD HOUSTON, TEXAS 77055	NONE		EDUCATIONAL	3,000
ODYSSEY HOUSE TEXAS 5629 GRAPEVINE HOUSTON, TX 77085	NONE		HEALTH	5,000
CHILD ADVOCATES, INC. 2401 PORTSMOUTH, SUITE 210 HOUSTON, TX 77098	NONE		CHARITABLE	4,000
ARCHWAY ACADEMY P.O. BOX 4356 HOUSTON, TX 77210-4356	NONE		EDUCATION	6,600
YMCA/LEE HIGH SCHOOL INFANT/TOD PROG. 1600 LOUISIANA HOUSTON, TX. 77002	NONE		CHARITABLE	3,000
DENVER HARBOR CLINIC 424 HAHLO STREET HOUSTON, TX 77020-3022	NONE		HEALTH	2,000
CASA de ESPERANZA de los NINOS P.O. BOX 66581 HOUSTON, TX 77266-6581	NONE		CHARITABLE	5,000
TEACH FOR AMERICA 4669 SOUTHWEST FRWY, STE. 600 HOUSTON, TX 77027	NONE		EDUCATIONAL	5,000
CHILDBUILDERS 3800 BUFFALO SPEEDWAY, SUITE 310 HOUSTON, TX 77098	NONE		CHARITABLE	1,500

THE JACKSON FOUNDATION

76-0554322

PART XV SUPPLEMENTARY INFORMATION (CONTINUED)

LINE 3a GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR 10/01/08-9/30/09

RECIPIENT NAME AND ADDRESS	RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF CONTRIBUTION	AMOUNT
YELLOWSTONE ACADEMY 3000 TRULLEY ST. HOUSTON, TX 77004	NONE		EDUCATION	2,000
INTERFAITH CARING MINISTRIES C/O GREATER HOUSTON COMMUNITY FOUNDATION 4550 POST OAK PLACE, SUITE 100 HOUSTON, TX 77027	NONE		CHARITABLE	1,000
FT. BEND COUNTY WOMEN'S CENTER P.O. BOX 183 RICHMOND, TX 77406	NONE		CHARITABLE	3,500
BROOKSHIRE EMS P.O. BOX 928 BROOKSHIRE, TEXAS 77423	NONE		HEALTH	500
ASSOCIATION OF SMALL FOUNDATIONS 4905 DEL RAY AVENUE, STE. 308 BETHESDA, MD 20814	NONE		CHARITABLE	1,000
COUNCIL ON ALCOHOL & DRUGS, HOUSTON 303 JACKSON HILL STREET HOUSTON, TX 77007	NONE		HEALTH	5,000
COVENANT HOUSE HOUSTON 1111 LOVETT BOULEVARD HOUSTON, TX 77006	NONE		CHARITABLE	4,000
CORNERSTONE RECOVERY PROGRAM 6221 MAIN ST. HOUSTON, TX 77030	NONE		HEALTH	1,000
TOTAL				73,670

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
ALLIANCE CAPITAL MANAGEMENT	0.	125.	0.	PURCHASED	VARIOUS	VARIOUS

(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	402.	0.	0.	PURCHASED	VARIOUS	VARIOUS

(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 STATEMENT A	20,571.	56,986.	0.	PURCHASED	VARIOUS	VARIOUS

(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 STATEMENT A	264,150.	385,420.	0.			

(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
ALLIANCE CAPITAL MGMT BASIS ADJ	7,517.	0.	0.			

CAPITAL GAINS DIVIDENDS FROM PART IV						0.
TOTAL TO FORM 990-PF, PART I, LINE 6A						<149,891.>

SOURCE	AMOUNT
FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2	
ALLIANCE CAPITAL MANAGEMENT	188.
EL PASO PIPELINE PARTNERS, LP	72.
ENTERPRISE PRODUCTS PARTNERS	21.
KINDER MORGAN ENERGY PARTNERS	87.
SCHWAB MM	15.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	383.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING	41,727.	20,864.		20,864.
INVESTMENT FEES	9,450.	9,450.		0.
TO FORM 990-PF, PG 1, LN 16C	51,177.	30,314.		20,864.

FORM 990-PF	TAXES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES PAID	605.	605.		0.
FEDERAL TAX	135.	135.		0.
TO FORM 990-PF, PG 1, LN 18	740.	740.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	8
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE & DELIVERY	54.	27.		27.
SUPPLIES	90.	45.		45.
TELEPHONE	964.	482.		482.
FAX LINE	373.	187.		186.
COMPUTER INTERNET	1,267.	634.		633.
CHARITABLE CONTRIBUTIONS	8.	0.		8.
MEMBERSHIPS	495.	247.		248.
SUBSCRIPTIONS	112.	56.		56.
MEALS & ENTERTAINMENT	57.	28.		29.
TO FORM 990-PF, PG 1, LN 23	3,420.	1,706.		1,714.

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CYPRESS ASSET MGMT	FMV	1,264,693.	1,264,693.
ENTERPRISE PRODUCTS PARTNERS, LP	FMV	45,312.	45,312.
ALLIANCE CAPITAL MANAGEMENT HOLDING	FMV	0.	0.
KINDER MORGAN ENERGY PARTNERS, LP	FMV	54,020.	54,020.
EL PASO PIPELINE PARTNERS	FMV	20,730.	20,730.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,384,755.	1,384,755.

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
DOUGLAS BLAKE JACKSON P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR 2.00	0.	0.	0.
DON BLAIR P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR 1.00	450.	0.	0.
PAUL JORNAYVAZ P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR 1.00	600.	0.	0.
TOM MARTIN P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR 4.00	600.	0.	0.
CAROL DEASON P.O. BOX 57 BELLAIRE, TX 77402	DIRECTOR 5.00	600.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		2,250.	0.	0.

FORM 990-PF

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

STATEMENT 11

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE JACKSON FOUNDATION
5005 WOODWAY, SUITE 200
HOUSTON, TX 77056

TELEPHONE NUMBER

713-850-9033

FORM AND CONTENT OF APPLICATIONS

A WRITTEN LETTER OF INQUIRY CAN BE MADE TO THE FOUNDATION AT ANY TIME. THEY SHOULD INCLUDE THE AMOUNT AND PURPOSE OF THE GRANT, AS WELL AS GENERAL INFORMATION ON THE ORGANIZATION. IF THE LETTER OF INQUIRY INDICATES AN AREA IN WHICH THE FOUNDATION MAY BE INTERESTED IN ASSISTING, THE FOUNDATION WILL REQUEST A FORMAL PROPOSAL.

ANY SUBMISSION DEADLINES

ALL PROPOSALS ARE DUE APRIL 30TH OF EACH YEAR. AWARD DECISIONS ARE MADE EACH SEPTEMBER.

RESTRICTIONS AND LIMITATIONS ON AWARDS

INDIVIDUAL GRANTS WILL NOT EXCEED \$10,000. GRANTS MUST BE USED WITHIN ONE YEAR OF RECEIPT. GRANTS MAY NOT BE USED FOR POLITICAL ACTIVITIES, SOCIAL ACTIVITIES, ENDOWMENTS, INDIVIDUAL NEEDS, OR TO SERVICE DEBT. FURTHER, THE FOUNDATION WILL NOT AWARD GRANTS TO A SINGLE ORGANIZATION FOR MORE THAN FIVE CONSECUTATIVE YEARS.

**The Jackson Foundation
Instructions for Filing
Exempt Organization Business Income Tax Return
2008 Form 990-T**

Signature:

The enclosed return should be signed and dated by an officer or trustee on the bottom of page Two. The additional copy should be signed in the same manner and mailed to the state attorney general. Please sign and date the attached file copy in the same manner and retain for your records.

Filing:

The signed original return should be mailed **on or before** February 16, 2010, in the enclosed envelope, to the following:

Internal Revenue Service
Ogden, Utah 84201-0027

The additional copy should be mailed on the same date to the following:

Office of Attorney General of Texas
P.O. Box 12548
Austin, Texas 78711

In order to prove timely filing, we suggest the return be sent certified mail, return receipt requested. The signed receipt should be kept with your file copy of the return.

Please note that, due to security requirements, the US Postal Service will not deliver an envelope or package that bears postage stamps and weighs more than 13 ounces unless you take it to a retail service associate at the Post Office. We suggest that you either use a postage meter or take your tax return to a retail service associate at the post office for mailing.

Payment of Tax:

No tax is due with this return.

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

2008

Department of the Treasury Internal Revenue Service

For calendar year 2008 or other tax year beginning OCT 1, 2008, and ending SEP 30, 2009

Open to Public Inspection for 501(c)(3) Organizations Only

Header section containing organization name (THE JACKSON FOUNDATION), address (5005 WOODWAY, NO. 200 HOUSTON, TX 77056), and other identifying information.

H Describe the organization's primary unrelated business activity. SEE STATEMENT 12

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 for Part I: Unrelated Trade or Business Income. Columns include (A) Income, (B) Expenses, and (C) Net. Total income is 4,474.

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

Table for Part II: Deductions Not Taken Elsewhere. Lists various deduction categories (14-34) and their amounts, totaling 1,000.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.
Controlled group members (sections 1561 and 1563) check here
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
(1) \$ (2) \$ (3) \$
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$
(2) Additional 3% tax (not more than \$100,000) \$
c Income tax on the amount on line 34 35c 0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:
Tax rate schedule or Schedule D (Form 1041) 36
37 Proxy tax. See instructions 37
38 Alternative minimum tax 38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see instructions) 40b
c General business credit. Attach Form 3800 40c
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d
e Total credits. Add lines 40a through 40d 40e
41 Subtract line 40e from line 39 41 0.
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) 42
43 Total tax. Add lines 41 and 42 43 0.
44a Payments: A 2007 overpayment credited to 2008 44a
b 2008 estimated tax payments 44b
c Tax deposited with Form 8868 44c
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d
e Backup withholding (see instructions) 44e
f Other credits and payments: Form 2439 Other Total 44f
45 Total payments. Add lines 44a through 44f 45
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 46
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0.
49 Enter the amount of line 48 you want: Credited to 2009 estimated tax Refunded 49

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here Yes No X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. Yes No X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

N/A

1 Inventory at beginning of year 1
2 Purchases 2
3 Cost of labor 3
4a Additional section 263A costs 4a
b Other costs (attach schedule) 4b
5 Total. Add lines 1 through 4b 5
6 Inventory at end of year 6
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer Date Title
May the IRS discuss this return with the preparer shown below (see instructions)? X Yes No
Paid Preparer's Use Only Preparer's signature Date Check if self-employed Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code MADDUX, THOMSON & ASSOCIATES, P.C. EIN 76-0146530
5851 SAN FELIPE, SUITE 700 Phone no. 713-783-4242
HOUSTON, TEXAS 77057

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 19)

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 (3(a)), Total income, and Total deductions.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

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 (a) and (b), Amount of average acquisition debt, Average adjusted basis, Column 4 divided by column 5, Gross income reportable, and Allocable deductions.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

Table for Schedule F: Exempt 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 21)

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)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions on page 21)

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)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions on page 21)

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)						
Totals (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 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)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

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

