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Amended

Form **990-PF**

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

OMB No 1545-0052

2007

Department of the Treasury
Internal Revenue Service

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

For calendar year 2007, or tax year beginning , and ending

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 KOVNER FOUNDATION		A Employer identification number 22-3468030
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 731 ALEXANDER ROAD, BUILDING 2		B Telephone number (see page 10 of the instructions) 609-919-7600
	City or town, state, and ZIP code PRINCETON NJ 08540		C If exemption application is pending, check here ☐
	H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 35,907,470		J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(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 (attach schedule)	NONE			
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	357,396	357,396		
	4 Dividends and interest from securities	669,502	669,502		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10 *	10,712,283			
	b Gross sales price for all assets on line 6a. SEE PART IV				
	7 Capital gain net income (from Part IV, line 2)		10,622,491		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) STMT 1	184,075	178,945			
12 Total. Add lines 1 through 11	11,923,256	11,828,334			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	NONE	NONE		NONE
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule) STMT 1	83,033	NONE		
	17 Interest	299,519	299,519		
	18 Taxes (attach schedule) (see page 14 of the instructions) **	191,487	NONE		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 1	413,967	410,201		
	24 Total operating and administrative expenses. Add lines 13 through 23	988,006	709,720		NONE
	25 Contributions, gifts, grants paid	22,261,881			22,261,881
26 Total expenses and disbursements. Add lines 24 and 25	23,249,887	709,720		22,261,881	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-11,326,631				
b Net investment income (if negative, enter -0-)		11,118,614			
c Adjusted net income (if negative, enter -0-)					

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2007)

(HTA) *GROSS SALES PRICE FOR FLOW-THROUGH GAINS FROM PARTNERSHIP INVESTMENTS IS NOT AVAILABLE ** SEE STMT 1

*** Explanation for Amendment. See Statement 9

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	36,050	305,228	305,228
	2 Savings and temporary cash investments	7,979,522	10,311,146	10,311,146
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	7,367	NONE	NONE
	10 a Investments—U S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) STMT 2	13,618,715	5,588,165	5,588,165
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule) STMT 2	31,441,045	13,702,931	13,702,931
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶ REDEMPTION RECEIVABLE)	2,500,000	6,000,000	6,000,000
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	55,582,699	35,907,470	35,907,470
Liabilities	17 Accounts payable and accrued expenses	17,304	163,741	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	17,304	163,741	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here 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 and complete lines 27 through 31. ▶ ☒			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	55,565,395	35,743,729	
	30 Total net assets or fund balances (see page 17 of the instructions)	55,565,395	35,743,729	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	55,582,699	35,907,470	

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	55,565,395
2 Enter amount from Part I, line 27a	2	-11,326,631
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	44,238,764
5 Decreases not included in line 2 (itemize) ▶ CHANGE IN UNREALIZED LOSS ON INVESTMENTS	5	8,495,035
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	35,743,729

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 2,279.8153 SHARES OF CAXTON EQUITY GROWTH (BVI) LTD	P	5/1/2005	7/31/2007
b 4,479.1626 SHARES OF CAXTON EQUITY GROWTH (BVI) LTD	P	5/1/2005	9/30/2007
c			
d GAIN ON FULL REDEMPTION OF CXGDK PARTNERS, LLC	P	1/1/1999	11/30/2007
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 3,000,000	NONE	2,279,815	720,185
b 6,000,000	NONE	4,479,163	1,520,837
c			
d 6,107,272	NONE	4,267,282	1,839,990
e			

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			720,185
b			1,520,837
c			6,541,479
d			1,839,990
e			

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	10,622,491
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }	3	* FLOW THROUGH FROM PARTNERSHIP INVESTMENT

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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2006	10,640,000	51,630,805	0.206079
2005	9,058,758	39,137,882	0.231458
2004	5,843,662	21,746,063	0.268723
2003	5,787,641	25,523,857	0.226754
2002	4,454,050	27,144,311	0.164088

2 Total of line 1, column (d)	2	1.097102
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.219420
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5	4	47,639,921
5 Multiply line 4 by line 3	5	10,453,151
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	111,186
7 Add lines 5 and 6	7	10,564,337
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 on page 18	8	22,261,881

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1	a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling letter: _____ (attach copy of ruling letter if necessary—see instructions)	1	111,186
	b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	2	
	c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)	3	111,186
2		Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
3		Add lines 1 and 2	5	111,186
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	6a	151,482
5		Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	6b	
6		Credits/Payments	6c	
	a	2007 estimated tax payments and 2006 overpayment credited to 2007	6d	
	b	Exempt foreign organizations—tax withheld at source	7	151,482
	c	Tax paid with application for extension of time to file (Form 8868)	8	35
	d	Backup withholding erroneously withheld	9	
7		Total credits and payments. Add lines 6a through 6d	10	40,261
8		Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	11	
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11		Enter the amount of line 10 to be: Credited to 2008 estimated tax ☐ 40,261 Refunded ☐		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation. ☐ \$ N/A (2) On foundation managers. ☐ \$ N/A		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ N/A		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ NEW YORK, DELAWARE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2007 or the taxable year beginning in 2007 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11a	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 page 20 of the instructions)	11a		X
b	If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?	11b		N/A
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address				
14	The books are in care of	ACCOUNTANT		
	Located at	731 ALEXANDER RD, BLDG 2, PRINCETON, NJ		
	Telephone no.	609-919-7600		
	ZIP+4	08540		
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.

		Yes	No
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?	☐ Yes	☒ No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes	☒ No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		N/A
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 2007?		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007?	☐ Yes	☒ No
	If "Yes," list the years	20 _____, 20 _____, 20 _____, 20 _____	
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions)		N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.	20 _____, 20 _____, 20 _____, 20 _____ N/A	
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☒ Yes	☐ No
b	If "Yes," did it have excess business holdings in 2007 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 2007)		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007?		X

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)? (see page 22 of the instructions)

☒ 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 page 22 of the instructions)?**5b**☒

Organizations relying on a current notice regarding disaster assistance check here

☐**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)

SEE STMT 7 & 8

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

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

7b☒**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?

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the instructions).

(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 6				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). 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

☐

NONE

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter

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

Total number of others receiving over \$50,000 for professional services NONE

Part IX-A Summary of Direct Charitable Activities N/A

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

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions) N/A

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	11,175,760
b	Average of monthly cash balances	1b	7,075,197
c	Fair market value of all other assets (see page 25 of the instructions)	1c	30,114,445
d	Total (add lines 1a, b, and c)	1d	48,365,402
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	48,365,402
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	725,481
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	47,639,921
6	Minimum investment return. Enter 5% of line 5	6	2,381,996

Part XI Distributable Amount (see page 25 of the 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	2,381,996
2a	Tax on investment income for 2007 from Part VI, line 5	2a	111,186
b	Income tax for 2007 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	111,186
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,270,810
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,270,810
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,270,810

Part XII Qualifying Distributions (see page 26 of the 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	22,261,881
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	22,261,881
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	111,186
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	22,150,695

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				2,270,810
2 Undistributed income, if any, as of the end of 2006				
a Enter amount for 2006 only				
b Total for prior years. 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2007:				
a From 2002	3,152,430			
b From 2003	4,659,854			
c From 2004	4,797,637			
d From 2005	7,294,348			
e From 2006	8,398,931			
f Total of lines 3a through e	28,303,200			
4 Qualifying distributions for 2007 from Part XII, line 4 ▶ \$ 22,261,881				
a Applied to 2006, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 27 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 27 of the instructions)				
d Applied to 2007 distributable amount				2,270,810
e Remaining amount distributed out of corpus	19,991,071			
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	48,294,271			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2006. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)	3,152,430			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	45,141,841			
10 Analysis of line 9				
a Excess from 2003	4,659,854			
b Excess from 2004	4,797,637			
c Excess from 2005	7,294,348			
d Excess from 2006	8,398,931			
e Excess from 2007	19,991,071			

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year * SEE STATEMENT 3				
Total			3a	22,261,881
b Approved for future payment ** SEE STATEMENT 4				
Total			3b	30,749,483

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions on page 29 to verify calculations.)

N/A

[illegible]

PART 1, OTHER INCOME, LINE 11

FLOW THROUGH FROM PARTNERSHIP INVESTMENT	<u>184,075</u>
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PART 1, OTHER PROFESSIONAL FEES, LINE 16c

LEGAL FEES	<u>83,033</u>
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PART 1, TAXES, LINE 18

NEW YORK ANNUAL FEE	1,500
DELAWARE TAX	25
FEDERAL EXCISE TAX	99,126
NYS UBT TAX	16,951
FEDERAL UBTI TAX	<u>73,885</u>
	<u>191,487</u>

PART 1, OTHER EXPENSES, LINE 23

INSURANCE	3,766
ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED FOR THE PRODUCTION OF INCOME	410,201
	<u>413,967</u>

THE KOVNER FOUNDATION

12/31/07

22-3468030

FORM 990-PF

STATEMENT 2

PART II, BALANCE SHEETS, LINE 10b

<u>STOCK</u>	<u>NUMBER OF SHARES</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FAIR MARKET VALUE</u>
CAXTON EQUITY GROWTH (BVI) LTD. CLASS A SERIES 3	4,102 2022	13,618,715	5,588,165	5,588,165
	TOTAL	<u>13,618,715</u>	<u>5,588,165</u>	<u>5,588,165</u>

PART II, BALANCE SHEETS, LINE 13

	<u>TYPE OF INVESTMENT</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FAIR MARKET VALUE</u>
INVESTMENT IN LLC'S	PARTNERSHIP	31,441,045	13,702,931	13,702,931

STATEMENT 2

PART XV. SUPPLEMENTARY INFORMATION. GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

<u>RECIPIENT</u>	<u>INDIVIDUAL</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH 1150 SEVENTEENTH STREET, N W WASHINGTON, D C 20036	N/A	PUBLIC CHARITY	PUBLIC POLICY RESEARCH	\$ 300,000
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 500 FIFTH AVENUE, SUITE 2540 NEW YORK, NY 10110	N/A	PUBLIC CHARITY	MUSEUM ACQUISITIONS	\$ 100,000
BROOKLYN ACADEMY OF MUSIC 30 LAFAYETTE AVENUE BROOKLYN, NY 11217-1486	N/A	PUBLIC CHARITY	EDUCATION	\$ 1,000,000
BROWN UNIVERSITY 1 PROSPECT STREET PROVIDENCE, RI 02912	N/A	PUBLIC CHARITY	EDUCATION	\$ 475,000
CARNEGIE HALL CORPORATION 881 SEVENTH AVENUE NEW YORK, NY 10019-3210	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 166,667
CENTURION MINISTRIES 221 WITHERSPOON STREET PRINCETON, NJ 08542	N/A	PUBLIC CHARITY	FREE WRONGFULLY IMPRISONED INMATES	\$ 75,000
CHILDREN'S PROGRESS UNLIMITED, INC ONE BETHANY ROAD, SUITE 72 HAZLET, NJ 07730	N/A	PUBLIC CHARITY	HELPING DISADVANTAGED PRESCHOOLERS	\$ 100,000
COMMENTARY FUND 165 EAST 56 STREET NEW YORK, NY 10022	N/A	PUBLIC CHARITY	EDUCATION	\$ 30,000
FOUNDATION FOR EDUCATION REFORM AND ACCOUNTABILITY 4 CHELSEA PARK, 2ND FLOOR CLIFTON PARK, NY 12065	N/A	PRIVATE OPERATING FOUNDATION	EDUCATION REFORM	\$ 100,000
HOSPITAL DE BRUYN GUSTAVIA 97133 SAINT-BARTHELEMY	N/A	FOREIGN CHARITY	MEDICAL EQUIPMENT	\$ 71,839
INSTITUTE FOR JUSTICE 1717 PENNSYLVANIA AVENUE, N W , SUITE 200 WASHINGTON, D C 20006	N/A	PUBLIC CHARITY	SOCIAL REFORM	\$ 150,000
LINCOLN CENTER FOR THE PERFORMING ARTS 70 LINCOLN CENTER PLAZA NEW YORK, NY 10023-6583	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 10,000,000
NEW WORLD SYMPHONY 541 LINCOLND ROAD MIAMI BEACH, FLORIDA 33139	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 500,000
ROYAL SHAKESPEARE COMPANY THE COURTYARD THEATER, SOUTHERN LANE STAFFORD-UPON-AVON, WARWICKSHIRE CV37 6BB	N/A	FOREIGN CHARITY	PERFORMING ARTS	\$ 493,375
STUDENT SPONSOR PARTNERSHIP 21 EAST 40TH STREET, SUITE 1601 NEW YORK, NY 10016	N/A	PUBLIC CHARITY	EDUCATION	\$ 200,000
THE JUILLIARD SCHOOL 60 LINCOLN CENTER PLAZA NEW YORK, NY 10023-6588	N/A	PUBLIC CHARITY	EDUCATION - FINE ARTS	\$ 5,500,000
THE METROPOLITAN OPERA LINCOLN CENTER NEW YORK, NY 10023	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 2,000,000
MORGAN LIBRARY MUSEUM 225 MADISON AVENUE NEW YORK, NY 10016-3405	N/A	PUBLIC CHARITY	MUSEUM ACQUISITIONS	\$ 1,000,000
TOTAL				<u>\$ 22,261,881</u>

PART XV. SUPPLEMENTARY INFORMATION, APPROVED FOR FUTURE PAYMENT

<u>RECIPIENT</u>	<u>INDIVIDUAL</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH 1150 SEVENTEENTH STREET, N W WASHINGTON, D C 20036	N/A	PUBLIC CHARITY	PUBLIC POLICY RESEARCH	\$ 5,000,000
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 500 FIFTH AVENUE, SUITE 2540 NEW YORK, NY 10110	N/A	PUBLIC CHARITY	MUSEUM ACQUISITIONS	\$ 100,000
THE JUILLIARD SCHOOL 60 LINCOLN CENTER PLAZA NEW YORK, NY 10023-6588	N/A	PUBLIC CHARITY	EDUCATION - FINE ARTS	\$ 8,500,000
BROOKLYN ACADEMY OF MUSIC 30 LAFAYETTE AVENUE BROOKLYN, NY 11217-1486	N/A	PUBLIC CHARITY	EDUCATION	\$ 500,000
BROWN UNIVERSITY 1 PROSPECT STREET PROVIDENCE, RI 02912	N/A	PUBLIC CHARITY	EDUCATION	\$ 1,424,000
STUDENT SPONSOR PARTNERSHIP 21 EAST 40TH STREET, SUITE 1601 NEW YORK, NY 10016	N/A	PUBLIC CHARITY	EDUCATION	\$ 400,000
CARNEGIE HALL CORPORATION 881 SEVENTH AVENUE NEW YORK, NY 10019-3210	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 333,333
LINCOLN CENTER FOR THE PERFORMING ARTS 70 LINCOLN CENTER PLAZA NEW YORK, NY 10023-6583	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 10,000,000
NEW WORLD SYMPHONY 541 LINCOLN ROAD MIAMI BEACH, FLORIDA 33139	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 500,000
ROYAL SHAKESPEARE COMPANY THE COURTYARD THEATER, SOUTHERN LANE STAFFORD-UPON-A VON, WARWICKSHIRE CV37 6BB	N/A	FOREIGN CHARITY	PERFORMING ARTS	\$ 992,150
THE METROPOLITAN OPERA LINCOLN CENTER NEW YORK, NY 10023	N/A	PUBLIC CHARITY	PERFORMING ARTS	\$ 3,000,000
TOTAL				<u>\$ 30,749,483</u>

PAGE 6, PART VIII, LINE 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	(d) employee benefit plans and deferred compensation	(e) Expense account, other allowances
BRUCE S KOVNER 1130 FIFTH AVENUE NEW YORK, NY 10128	Director & President *	None	None	None
PETER P D'ANGELO 90 THIRD STREET GARDEN CITY, NY 11530	Director & Treasurer *	None	None	None
SCOTT B BERNSTEIN 465 WEST END AVENUE NEW YORK, NY 10021	Secretary *	None	None	None
FRANK WOHL C/O LANKLER, SIFFERT & WOHL 500 FIFTH AVENUE, 33RD FL NEW YORK, NY 10110	Director *	None	None	None
KAREN CROSS 1085 CREAMERY ROAD NEWTON, PA 18940	Controller *	None	None	None

* TIME DEVOTED AS NEEDED

PAGE 6, PART VII-B, LINE 5c

The Kovner Foundation maintained expenditure responsibility for the following grants. The following information is required by Regulations Section 53.4945-5(d):

- [1] (i) The name and address of the grantee.
Grantee Hospital De Bruyn
Address: Gustavia, 97133 Saint Barthelemy
- (ii) The date and amount of the grant:
Date: September 24, 2007.
Amount: 51,000 Euros
- (iii) The purpose of the grant:
Purpose: To purchase an X-Ray Machine.
- (iv) Amounts expended by the grantee:
Amount: 51,000 Euros
- (v) Whether the grantee has diverted any portion of the funds from the purpose of the grant:
The Kovner Foundation is not aware of the Hospital De Bruyn diverting any portion of the funds from the purpose of the grant.
- (vi) The dates of any reports received from the grantee: Requested and expected.
- (vii) The date and results of any verification of the grantee's reports. Requested and expected.
- [2] (i) The name and address of the grantee:
Grantee: Royal Shakespeare Company
Address: Southern Lane, Stratford-upon-Avon, Warwickshire CV37 6BB
- (ii) The date and amount of the grant:
Date: June 12, 2007.
Amount: 250,000 British Pounds
- (iii) The purpose of the grant:
Purpose: To support the Ensemble and Artists' Development Programme
- (iv) Amounts expended by the grantee:
Amount: 250,000 British Pounds
- (v) Whether the grantee has diverted any portion of the funds from the purpose of the grant:
The Kovner Foundation is not aware of Royal Shakespeare Company diverting any portion of the funds from the purpose of the grant
- (vi) The dates of any reports received from the grantee:
An annual report was received in May, 2008.
- (vii) The date and results of any verification of the grantee's reports:
The Kovner Foundation verified that the Royal Shakespeare Company has complied with the grant agreement dated May 10, 2007 in June, 2008.

THE KOVNER FOUNDATION
22-3468030
RESPONSE TO: Part VII-B-5(c)
TAX YEAR: 2007

The Kovner Foundation (the "Foundation") claims exemption from the tax because it maintained expenditure responsibility and hereby provides the statement required by Treas. Reg. § 53.4945-5(d).

1. The grant recipient is: Foundation for Education Reform and Accountability, a United States organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and classified as a private operating foundation pursuant to Code section 4942(j)(3);
2. The date and amount of each grant was as follows:

May 24, 2007	\$100,000
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3. The exclusively charitable and educational purposes of the grant are to provide general support for the charitable and educational activities of the Foundation for Education Reform and Accountability.
4. The amount expended by the grant recipient towards accomplishment of those purposes is \$100,000 (based on the most recent report received from the grant recipient);
5. To the best of the Foundation's knowledge, the grant recipient has not diverted any portion of the funds (or any income therefrom) from the purpose of the grant;
6. The Foundation has received reports from the grant recipient for the grant recipient's 2007 fiscal year. The date of the report received from the grant recipient is June 2008; and
7. The Foundation has not undertaken an investigation of the grant recipient's reports because the Foundation has no reason to believe that those reports are of dubious accuracy or reliability.

THE KOVNER FOUNDATION

22-3468030

REASON FOR AMENDMENT

TAX YEAR: 2007

The Foundation is amending this return to include an expenditure responsibility report regarding a private operating foundation, the Foundation for Education Reform and Accountability, which was inadvertently omitted from the Foundation's original return.