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

OMB No 1545-0052

2009

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

For calendar year **2009**, or tax year beginning , **2009**, and ending , **20**G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation KESSLER FAMILY FOUNDATION		A Employer identification number 04-3213614
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) () -
	120 CASA BENDITA		C If exemption application is pending, check here <input type="checkbox"/>
	City or town, state, and ZIP code PALM BEACH, FL 33480		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 28,449,357.		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments	12,432.	12,432.		
4 Dividends and interest from securities	538,688.	538,688.		ATCH 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-1,639,521.			
b Gross sales price for all assets on line 6a	4,637,377.			
7 Capital gain net income (from Part IV, line 2)				
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)				
12 Total. Add lines 1 through 11	-1,088,401.	551,120.		
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)	39,805.	39,805.		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	250.	250.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 4	97,541.			97,541.
24 Total operating and administrative expenses. Add lines 13 through 23	137,596.	40,055.		97,541.
25 Contributions, gifts, grants paid	1,666,835.			1,666,835.
26 Total expenses and disbursements. Add lines 24 and 25	1,804,431.	40,055.		1,764,376.
27 Subtract line 26 from line 12:	-2,892,832.			
a Excess of revenue over expenses and disbursements		511,065.		
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)			-0-	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. * ATCH 2 JSA ** ATCH 3

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	947,914.	5,910,570.	5,910,570.
	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) ▶ *		* 500,000.	ATCH 5
	Less allowance for doubtful accounts ▶		500,000.	500,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U.S. and state government obligations (attach schedule) **	20,325,236.	4,756,131.	4,831,870.
	b Investments - corporate stock (attach schedule) ATCH 7	0.	3,970,034.	4,215,498.
	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) ATCH 8	9,188,938.	12,724,763.	12,991,419.
14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	30,462,088.	27,861,498.	28,449,357.	
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 (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	30,462,088.	27,861,498.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>			
	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			
	30 Total net assets or fund balances (see page 17 of the instructions)	30,462,088.	27,861,498.	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	30,462,088.	27,861,498.	

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	30,462,088.
2 Enter amount from Part I, line 27a	2	-2,892,832.
3 Other increases not included in line 2 (itemize) ▶ ATTACHMENT 9	3	303,242.
4 Add lines 1, 2, and 3	4	27,872,498.
5 Decreases not included in line 2 (itemize) ▶ ATTACHMENT 10	5	11,000.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	27,861,498.

** ATCH 6

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (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 PART IV SCHEDULE				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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			
b			
c			
d			
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	-1,639,521.
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	

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))
2008	2,734,526.	33,396,695.	0.081880
2007	3,032,510.	33,845,720.	0.089598
2006	2,599,065.	33,704,074.	0.077114
2005	2,437,370.	30,919,292.	0.078830
2004	1,726,813.	24,689,503.	0.069941

2 Total of line 1, column (d)	2	0.397363
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	0.079473
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	28,083,161.
5 Multiply line 4 by line 3	5	2,231,853.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,111.
7 Add lines 5 and 6	7	2,236,964.
8 Enter qualifying distributions from Part XII, line 4	8	1,764,376.

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.

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		1	10,221.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3 Add lines 1 and 2		3	10,221.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	10,221.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6 a 59,983.		
b Exempt foreign organizations-tax withheld at source	6 b 0.		
c Tax paid with application for extension of time to file (Form 8868)	6 c 0.		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d		7	59,983.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	49,762.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	49,762. Refunded	11	

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 \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
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) MA,		
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 2009 or the taxable year beginning in 2009 (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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address <input type="checkbox"/> N/A				
14	The books are in care of <input type="checkbox"/> SHARON JACQUET Telephone no <input type="checkbox"/>			
	Located at <input type="checkbox"/> JP MORGAN, 270 PARK AVENUE, 28TH FL NEW YORK, NY ZIP + 4 <input type="checkbox"/>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input type="checkbox"/> 15			

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
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 2009? <input type="checkbox"/>	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <input type="checkbox"/>		
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 20 of the instructions) <input type="checkbox"/>	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 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 2009) <input type="checkbox"/>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/>	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009? <input type="checkbox"/>	4b	X

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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)

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 **6b** X

If "Yes" to 6b, 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 **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 (see page 22 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
ATTACHMENT 11		0.	0.	0.

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 ☐

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (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

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

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

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 page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

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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	22,937,417.
b	Average of monthly cash balances	1b	5,573,406.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	28,510,823.
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	0.
3	Subtract line 2 from line 1d	3	28,510,823.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	427,662.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	28,083,161.
6	Minimum investment return. Enter 5% of line 5	6	1,404,158.

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	1,404,158.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	10,221.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	10,221.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,393,937.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,393,937.
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	1,393,937.

Part XII Qualifying Distributions (see page 25 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	1,764,376.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,764,376.
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	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,764,376.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,393,937.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 07, 20 06, 20 05				
3 Excess distributions carryover, if any, to 2009				
a From 2004 612,137.				
b From 2005 1,017,197.				
c From 2006 997,745.				
d From 2007 1,428,798.				
e From 2008 1,077,583.				
f Total of lines 3a through e	5,133,460.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 1,764,376.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				1,393,937.
e Remaining amount distributed out of corpus	370,439.			
5 Excess distributions carryover applied to 2009 . (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	5,503,899.			
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 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				
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 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	612,137.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	4,891,762.			
10 Analysis of line 9				
a Excess from 2005 1,017,197.				
b Excess from 2006 997,745.				
c Excess from 2007 1,428,798.				
d Excess from 2008 1,077,583.				
e Excess from 2009 370,439.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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 2009, 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) 2009	(b) 2008	(c) 2007	(d) 2006	
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 page 28 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))

ATTACHMENT 12

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year ATTACHMENT 13				
Total.			3a	1,666,835.
b Approved for future payment				
Total.			3b	

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions on page 28 to verify calculations)

Line No.	▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)

NOT APPLICABLE

FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					11,387.	
1,000,000.		PIMCO TOTAL RETURN FUND PROPERTY TYPE: SECURITIES 984,064.				P	VAR	11/18/2009
		JPMORGAN ASIA EQUITY FUND PROPERTY TYPE: SECURITIES 240,000.				P	VAR	09/11/2009
248,972.		JPMORGAN SHORT DURATION BOND FUND PROPERTY TYPE: SECURITIES 292,978.				P	VAR	09/11/2009
295,156.		WACHOVIA TRUST #9755 - SEE STMT PROPERTY TYPE: SECURITIES 1,993,216.				P	VAR	VAR
967,169.		WACHOVIA TRUST #9755 - SEE STMT PROPERTY TYPE: SECURITIES 2,766,640.				P	VAR	VAR
2,114,693.							-651,947.	
TOTAL GAIN (LOSS)							<u>-1639521.</u>	

ATTACHMENT 1

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
WACHOVIA 1528889755	67,584.	67,584.
JP MORGAN A16214008	286,911.	286,911.
JP MORGAN Q56788005	184,193.	184,193.
TOTAL	<u>538,688.</u>	<u>538,688.</u>

ATTACHMENT 2

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
WACHOVIA CUSTODY FEES	2,103.	2,103.
JP MORGAN MANAGEMENT FEES	4,436.	4,436.
PRICEWATERHOUSECOOPERS LLP	27,700.	27,700.
OTHER PROFESSIONAL FEES	5,566.	5,566.
TOTALS	<u>39,805.</u>	<u>39,805.</u>

ATTACHMENT 3

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MA FILING FEE	250.	250.
TOTALS	<u>250.</u>	<u>250.</u>

ATTACHMENT 4

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
CHARITABLE EVENT EXPENSES	97,541.

CHARITABLE PURPOSES
97,541.

TOTALS	97,541.
--------	---------

97,541.

ATTACHMENT 5FORM 990PF, PART II - OTHER NOTES AND LOANS RECEIVABLE

BORROWER: SIPC CLAIM

ENDING BALANCE DUE 500,000.ENDING FAIR MARKET VALUE 500,000.TOTAL ENDING BOOK - OTHER NOTES AND LOANS RECEIVABLE 500,000.TOTAL ENDING FMV - OTHER NOTES AND LOANS RECEIVABLE 500,000.

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

ATTACHMENT 6

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FEDERATED PRIME OBLIGATION ISHARES BARCLAYS TIPS BOND FD	0. 4,756,131.	0. 4,831,870.
US OBLIGATIONS TOTAL	<u>4,756,131.</u>	<u>4,831,870.</u>

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 7

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE ATTACHED	3,970,034.	4,215,498.
TOTALS	<u>3,970,034.</u>	<u>4,215,498.</u>

FORM 990PF, PART II - OTHER INVESTMENTSATTACHMENT 8

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
MARSICO GROWTH	0.	0.
MORGAN STANLEY INST INT'L	0.	0.
PIMCO REAL RETURN BOND INST	0.	0.
PIMCO TOTAL RETURN III	0.	0.
MORGAN STAN INS INT'L REAL	0.	0.
ARTISAN INTL SMALL CAP	0.	0.
PIMCO COMMODITY REAL RETURN	0.	0.
COHEN & STEER INST RLTY SHS FD	0.	0.
ING INTERNATIONAL REAL ESTATE	0.	0.
SEE ATTACHED	12,724,763.	12,991,419.
TOTALS	<u>12,724,763.</u>	<u>12,991,419.</u>

ATTACHMENT 9FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCESDESCRIPTIONAMOUNT

DIFFERENCE IN FMV TO COST

303,242.

TOTAL

303,242.

ATTACHMENT 10FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCESDESCRIPTIONAMOUNT

2008 GRANT CHECKS CLEARED IN 2009

11,000.

TOTAL

11,000.

1

KESSLER FAMILY FOUNDATION

04-3213614

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 11

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
HOWARD J. KESSLER 120 CASA BENDITA PALM BEACH, FL 33480	TRUSTEE	0.	0.	0.
PATRICIA M. KESSLER 120 CASA BENDITA PALM BEACH, FL 33480	TRUSTEE	0.	0.	0.
GRAND TOTALS		0.	0.	0.

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

HOWARD J. KESSLER
PATRICIA M. KESSLER

FORM 990PE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

RECIPIENT NAME AND ADDRESS

SEE ATTACHED LIST

NA

PUBLIC

1,666,835

TOTAL CONTRIBUTIONS PAID

1,666,835

Kessler Family Foundation
US Form 990-PF
Part 1- Line 25 - Charitable Gifts, Grants Paid
December 31, 2009

04-3213614

Achilles International	5,000	Measles Initiative	2,779
American Cancer	100	MGH	35,000
American Ireland Fund	18,000	MGH Psychiatry	25,000
Anti Defamation League	10,000	Misc. Charity	3,225
Asian Task Force Against Domestic Violence	5,000	Morsellife Foundation	5,000
Autism Speaks	25,000	MS Society	1,000
Barry L Price Rehab Center	5,000	MSPCA Angell	1,000
Best Buddies	25,000	NMSS	650
BIDMC	3,500	NYSPCC	5,000
Boca Commun Hosp	25,000	Palm Beach Atlantic Univ	1,500
Boy Club of PB County	5,000	Palm Beach CC Fund	1,000
Boys Club of NY	1,000	Palm Beach Civic Association	5,000
Breakthrough	5,000	Palm Beach Cnme Watch	2,500
Breast Cancer Research Fund	20,000	Palm Beach United Way	1,000
Brigham & Women's Hospital	530,000	Palm Beach Zoo	11,025
British American Business	10,000	Partners in Health	10,000
Cam Neely Fd	500	Pinecrest School	24,725
Camp Harborview	50,000	PINK	1,000
Charlie O Chase the Dream	1,000	Planned Parenthood	30,000
Children's Home Society of Florida	5,000	Preservation Fund of Palm Beach	11,000
Children's Tumor Fund	1,000	Prince of Wales Fund	20,000
CJP	150,000	Princess Grace Fd - USA	10,000
Clair Altman Heine Fd	3,100	RFK Center for Injustice & Human Rights	7,000
Community Fund of Palm Beach	1,000	Rockefeller Univ	5,000
Congregation B'Nai Israel	2,696	Rose F Kennedy Greenway	12,500
Cystic Fibrosis Fund	3,500	Ryan Licht Bipolar Fdn	2,500
Everglades Fdn	2,500	Society of MSKCC	2,000
FAPE	5,000	Society of the Four Arts	500
Florence Fuller Child Center	3,000	St Judes Research	1,200
Foundation for the Carolina	5,000	Strongest Link	5,000
Franciscan Hosp	2,500	Susan G Koman for The Cure	10,000
Fund for Commonwealth Ave Mall	10,000	Susan G Komen So Fl	1,500
Gabrielli Angel Fund	12,500	The Blenheim Fd	10,000
Glades Academy	15,000	The Brain Science Fund	5,000
HeadCount	10,000	The Chester Fund for Education & the Arts	2,500
Heritage Museum & Garden	1,000	The Happy Campen Fd	3,000
Highton International	2,500	The International Society of Palm Beach	3,500
Hospice Fd of Palm Beach	10,000	The Schepens Eye Research Inst	3,250
Inner-City Scholarship Fund	30,000	The United Way of Mass Bay	100,000
Jewish Fed of Palm Beach	150,000	The Women's Lunch Place	10,000
John F Kennedy Library Fund	30,500	Town of Palm Beach Finance	585
JQSA	1,000	Victim Rights Law Ctr	10,000
Kids Sanctuary	2,500	Women's Lunch Place	10,000
La Salle University	10,000	WSRC Brandeis	1,000
LIFE	10,000	YMCA of Greater Boston	27,500
MassEquality	2,500		
		Total	1,666,835

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2009

Name of estate or trust

KESSLER FAMILY FOUNDATION

Employer identification number

04-3213614

Note: Form 5227 filers need to complete only Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	-998,961.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ►	5	-998,961.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	-651,947.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	11,387.
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ►	12	-640,560.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2009

Part III Summary of Parts I and II		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13	Net short-term gain or (loss)	13		-998,961.
14	Net long-term gain or (loss):			
a	Total for year	14a		-640,560.
b	Unrecaptured section 1250 gain (see line 18 of the worksheet)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14	15		-1,639,521.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

Part IV Capital Loss Limitation	
16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000
16	(3,000.)

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0-	21		
22	Subtract line 21 from line 20. If zero or less, enter -0-	22		
23	Subtract line 22 from line 17. If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,300	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23.	25		
26	Subtract line 25 from line 24.	26		
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28		
29	Subtract line 28 from line 27	29		
30	Multiply line 29 by 15% (15)			30
31	Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)			31
32	Add lines 30 and 31			32
33	Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)			33
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)			34

Schedule D (Form 1041) 2009

**Continuation Sheet for Schedule D
(Form 1041)**

OMB No 1545-0092

2009

► See instructions for Schedule D (Form 1041).

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

Name of estate or trust

KESSLER FAMILY FOUNDATION

Employer identification number

04-3213614

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

[illegible]

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b	-998,961.
----------------------------------------------------------------------------------------------------	-----------

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2009

Employer identification number

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

[illegible]

Kessler Family Foundation
US Form 990-PF
Part II - Balance Sheets
December 31, 2009

04-3213614

<u>Description</u>	<u>Quantity</u>	<u>Cost</u>	<u>FMV</u>
Line 10a- US Govt Obligations			
ISHARES BARCLAYS TIPS BOND FUND	46,505	4,756,131	4,831,870
Line 10b- Corporate Stock Investments			
ARTIO INTERNATIONAL EQUITY II - I	29,710	355,000	349,980
DODGE & COX INTERNATIONAL STOCK	11,449	355,000	364,640
EATON VANCE SPL INVT TR VALUE FD CL I	47,172	740,000	791,547
HARTFORD CAPITAL APPRECIATION FUND	10,136	275,000	310,261
ISHARES RUSSELL MIDCAP INDEX FUND	2,758	214,598	227,563
ISHARES S&P MIDCAP 400 INDEX FUND	6,513	445,436	471,606
JPMORGAN INTREPID AMERICA FUND SELECT SHARE CLASS FUND 1206	4,341	80,000	88,161
JPMORGAN SMALL CAP GROWTH FUND SELECT SHARE CLASS FUND 3136	20,513	160,000	178,667
JPMORGAN TR I US LARGE CAP VALUE PLUS SELECT SHARE CLASS FUND 1513	25,253	300,000	296,212
MANAGERS AMG FUNDS-TIMESSQUARE MID CAP GROWTH FUND	7,713	80,000	91,012
MATTHEWS PACIFIC TIGER FUND -CL I	19,425	340,000	373,551
PROFESSIONALLY MANAGED PORTFOLIOS THE OSTERWEIS FUND	12,625	275,000	307,287
RIVERSOURCE INTL SER INC THRDNL ASPA R5	29,628	350,000	365,012
		<u>3,970,034</u>	<u>4,215,498</u>
Line 13- Other Investments			
J P MORGAN - BLACKROCK OPPORTUNISTIC RMBS LTD (INCOME DISTRIBUTION) - 10-09	500	500,000	500,000
JPMORGAN SHORT DURATION BOND FUND SELECT CLASS FUND 3133 1 70%	320,429	3,457,022	3,476,652
PIMCO TOTAL RETURN FUND	475,909	5,010,353	5,139,822
VANGUARD FIXED INCOME SECS F INTR TRM CP PT (FUND 71)	294,748	2,750,000	2,835,477
CS 15M SPX OPT ENTRY REN 12/02/10 (3XLEV- 4 5%CAP-13 5%MAXPYMT) INITIAL LEVEL- 08/13/09 SPX 1012 73	200,000	200,000	206,820
GS 12M EAFE BREN 10/21/10 (10% BUFFER-2XLEV- 7 56%CAP 15 12% MAXPYMT) INITIAL LEVEL- 10/02/09 SX5E 2760 60 UKX 4988 70 TPX 874 67	125,000	125,000	131,664
HSBC 12M EAFE BREN 10/06/10 (10%BUFFER- 2XLEV- 7 3%CAP-14 6%MAXPYMT) INITIAL LEVEL- 9/18/09 SX5E 2887 24 UKX 5172 89 TPX 939 44	125,000	125,000	125,425
HSBC EAFE BREN 09/23/10 (10%BUFFER- 2XLEV- 7%CAP-14%MAXPYMT) INITIAL LEVEL- 9/10/09 SX5E 2733 54 UKX 4851 70 TPX 935 74	200,000	200,000	204,500
MS 12M ASIA BSKT BREN 09/29/10)10%BUFFER- 2XLEV- 9 7%CAP-19 4%MAXPYMT) INITIAL LEVEL- 9/11/09 ASIA 100 00	150,000	150,000	159,000
MS 15M SPX OPT ENTRY REN 12/30/10 (3XLEV- 5 2%CAP-15 6%MAXPYMT) INITIAL LEVEL- 09/11/09 SPX 1042 73	200,000	200,000	204,670
		<u>12,717,375</u>	<u>12,984,031</u>
Accrued Income		<u>7,388</u>	<u>7,388</u>
		<u>12,724,763</u>	<u>12,991,419</u>

2009 Tax Information Statement

Page 5 of 11
Ref: 1775

Recipient's Name and Address
KESSLER FAMILY FOUNDATION
120 CASA BENDITA
PALM BEACH, FL 33480

Account Number 1528889755
Recipient's Tax ID number 04-3213614
Payer's Federal ID number 20-1535617
Questions? (800)691-8916

Payer's Name and Address
WACHOVIA TRUST - NSG TAX
FIDUCIARY TAX DEPARTMENT, NC1161
1525 WEST W T HARRIS BLVD
CHARLOTTE, NC 28288-1161

☐ Corrected ☐ 2nd TIN notice

2009 Form 1099-B: Proceeds from Broker and Barter Exchange Transactions

OMB No 1545-0715

Reported to the IRS are Gross Proceeds less commissions and option premiums

Number of shares (Box 5)	CUSIP (Box 1b)	Description (Box 7)	Date Acquired	Date of Sale (Box 1a)	Stocks, Bonds, etc. (Box 2)	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld (Box 4)
Short Term Sales Reported on 1099-B								
38474 9920	00758M162	HGK ACADIAN EMERGING MARKETS PORTFOLIO I	06/24/2008	01/15/2009	334,732.43	1,100,000.00	-765,267.57	0.00
6121 9050	19247U106	COHEN & STEER INSTL RLTY SHS FD	08/01/2008	01/15/2009	127,274.40	230,000.00	-102,725.60	0.00
22167 4890	44980Q518	ING INTERNATIONAL REAL ESTATE	08/01/2008	01/15/2009	131,453.21	225,000.00	-93,546.79	0.00
33935 9400	693391104	PIMCO FDS PAC INVT MGMT REAL RETURN 8D FD INSTL CL	01/15/2008	01/15/2009	325,106.31	382,797.40	-57,691.09	0.00
7826 5320	722005667	PIMCO COMMODITY REALRETURN STRATEGY FDI	VARIOUS	01/15/2009	48,602.76	55,418.31	-6,815.55	0.00
Total Short Term Sales Reported on 1099-B						1,993,215.71	-1,026,046.60	0.00
Long Term 15% Sales Reported on 1099-B								
21546 5800	573012200	MARSICO GROWTH FD	03/26/2004	01/15/2009	251,448.59	340,651.43	-89,202.84	0.00
10451 5680	61744J317	MORGAN STANLEY INSTITUTIONAL FUND INC - INTERNATIONAL REAL ESTATE CL I (FD #1)	01/04/2008	01/15/2009	117,684.66	255,540.85	-137,856.19	0.00
11573 0750	61744J408	MORGAN STANLEY INSTL FD INC INTL EQUITY PORTFOLIO	02/14/2003	01/15/2009	117,813.90	157,684.19	-39,870.29	0.00
158361 7340	693391104	PIMCO FDS PAC INVT MGMT REAL RETURN 8D FD INSTL CL	VARIOUS	01/15/2009	1,517,105.41	1,749,834.45	-232,729.04	0.00

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

2009 Tax Information Statement

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Ref 1775

Account Number: 1528889755

Recipient's Tax ID number: 04-3213614

Payer's Federal ID number: 20-1535617

Questions? (800)691-8916

Corrected 2nd TIN notice

Recipient's Name and Address
KESSLER FAMILY FOUNDATION
120 CASA BENDITA
PALM BEACH, FL 33480

Payer's Name and Address
WACHOVIA TRUST - NSG TAX
FIDUCIARY TAX DEPARTMENT, NC1161
1525 WEST W T HARRIS BLVD
CHARLOTTE, NC 28288-1161

Number of shares	CUSIP	Description	Date Acquired	Date of Sale	Stocks Bonds, etc.	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld
(Box 5)	(Box 1b)	(Box 7)		(Box 1a)	(Box 2)			(Box 4)
17816 5420	722005667	PIMCO COMMODITY REALRETURN STRATEGY FDI	VARIOUS	01/15/2009	110,640 73	262,929 34	-152,288 61	0 00
Total Long Term 15% Sales Reported on 1099-B						2,766,640 26	-651,946.97	0.00

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