Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , and ending

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Name of foundation: TOWER FAMILY FUND, INC.

A Employer identification number: 20-5848514

Number and street (or P O box number if mail is not delivered to street address): BRISBANE BLDG, BOX 23, 403 MAIN ST | Room/suite

B Telephone number: 716-834-9181

City or town, state, and ZIP code: BUFFALO, NY 14203-2140

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 32,443,049.

J Accounting method: [X] Cash ☐ Accrual ☐ 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 ▶ ☐

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))

	Line	(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	0.		N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	7,613.	7,613.		STATEMENT 2
	4 Dividends and interest from securities	617,610.	617,610.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,002,403.			STATEMENT 1
	b Gross sales price for all assets on line 6a 20,284,576.				
	7 Capital gain net income (from Part IV, line 2)		2,401,661.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total Add lines 1 through 11	2,627,626.	3,026,884.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	11,754.	3,918.		7,836.
	b Accounting fees STMT 5	15,163.	7,581.		7,582.
	c Other professional fees STMT 6	169,790.	130,424.		39,366.
	17 Interest				
	18 Taxes STMT 7	30,989.	8,989.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 8	3,052.	0.		3,052.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	230,748.	150,912.		57,836.
	25 Contributions, gifts, grants paid	1,269,577.			1,269,577.
	26 **Total expenses and disbursements** Add lines 24 and 25	1,500,325.	150,912.		1,327,413.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	1,127,301.			
	b **Net investment income** (if negative, enter -0-)		2,875,972.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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12-07-10 LHA **For Paperwork Reduction Act Notice, see the instructions.**

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14520302 783816 E0-8157-83 2010.03000 TOWER FAMILY FUND, INC. E0-81501

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DM

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	2,633,326.	989,784.	989,784.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 1,500,000.			
	Less allowance for doubtful accounts ▶ 0.	0.	1,500,000.	1,500,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S. and state government obligations STMT 9	3,541,211.	1,630,338.	1,846,020.
	b Investments - corporate stock STMT 10	897,128.	705,264.	800,752.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	19,760,821.	23,152,416.	27,281,282.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ DUE FROM BROKER)	43,226.	25,211.	25,211.
	16 **Total assets** (to be completed by all filers)	26,875,712.	28,003,013.	32,443,049.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	26,875,712.	28,003,013.	
	30 **Total net assets or fund balances**	26,875,712.	28,003,013.	
	31 **Total liabilities and net assets/fund balances**	26,875,712.	28,003,013.	

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	26,875,712.
2	Enter amount from Part I, line 27a	2	1,127,301.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	28,003,013.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	28,003,013.

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	CITIGROUP GLOBAL MARKETS - SEE ATTACHMENT D		VARIOUS	VARIOUS
b	CITIGROUP GLOBAL MARKETS - SEE ATTACHMENT E		VARIOUS	VARIOUS
c	CAPITAL GAINS DIVIDENDS			
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	82,054.		47,306.	34,748.
b	20,196,929.		17,835,609.	2,361,320.
c	5,593.			5,593.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				34,748.
b				2,361,320.
c				5,593.
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	2,401,661.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	1,418,343.	26,464,833.	.053593
2008	1,098,032.	24,834,772.	.044213
2007	56,002.	8,002,318.	.006998
2006	0.	1,768,191.	.000000
2005			

2	**Total** of line 1, column (d)	2	.104804
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	.026201
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	29,590,881.
5	Multiply line 4 by line 3	5	775,311.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	28,760.
7	Add lines 5 and 6	7	804,071.
8	Enter qualifying distributions from Part XII, line 4	8	2,827,413.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ [ ] and enter "N/A" on line 1. Date of ruling or determination letter ________ (attach copy of letter if necessary-see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	28,760.
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	0.
3	Add lines 1 and 2			3	28,760.
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	28,760.
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	33,259.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	33,259.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] 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	4,499.
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶	4,499.	Refunded ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	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.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
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.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NY			
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*	8b	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	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 ▶ N/A

14 The books are in care of ▶ LUMSDEN & MCCORMICK, LLP Telephone no ▶716-856-3300

Located at ▶403 MAIN STREET, SUITE 430, BUFFALO, NY ZIP+4 ▶14203

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

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____ , ____ , ____ , ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions) N/A	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 ▶ ____ , ____ , ____ , ____			
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 2010 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 2010.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	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 2010?	4b		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)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 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? N/A ☐ 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? | 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? N/A | 7b |

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PETER TOWER BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
MOLLIE T. BYRNES BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	SECRETARY, DIRECTOR 1.00	0.	0.	0.
CYNTHIA T. DOYLE BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	TREASURER, DIRECTOR 1.00	0.	0.	0.
JOHN N. BLAIR BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	VP, DIRECTOR 1.00	0.	0.	0.

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

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

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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 LOAN TO YMCA OF MARTHA'S VINEYARD	1,500,000.
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	1,500,000.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	27,685,228.
b	Average of monthly cash balances		1b	2,356,276.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	30,041,504.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	30,041,504.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	450,623.
5	**Net value of noncharitable-use assets**. Subtract line 4 from line 3 Enter here and on Part V, line 4		5	29,590,881.
6	**Minimum investment return**. Enter 5% of line 5		6	1,479,544.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6		1	1,479,544.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 28,760.		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	28,760.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	1,450,784.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	1,450,784.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	1,450,784.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	1,327,413.
b	Program-related investments - total from Part IX-B	1b	1,500,000.
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	2,827,413.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	28,760.
6	**Adjusted qualifying distributions**. Subtract line 5 from line 4	6	2,798,653.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,450,784.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			220,280.	
b Total for prior years ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 2,827,413.				
a Applied to 2009, but not more than line 2a			220,280.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,450,784.
e Remaining amount distributed out of corpus	1,156,349.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,156,349.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	1,156,349.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010 1,156,349.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

PETER TOWER

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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*				
SEE STATEMENT 12				
Total			▶ 3a	1,269,577.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

023611 12-07-10

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	7,613.	
4 Dividends and interest from securities			14	617,610.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	2,002,403.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		2,627,626.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 2,627,626.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

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)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

John N Blair 3/30/11 VICE PRESIDENT

Signature of officer or trustee Date Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
DALE B. DEMYANICK	Dale B Demyanick	3/29/11		

Firm's name ▶ LUMSDEN & MCCORMICK, LLP — Firm's EIN ▶

Firm's address ▶ 403 MAIN ST. SUITE 430 BUFFALO, NY 14203 — Phone no (716)856-3300

Form **990-PF** (2010)

023622 12-29-10

ATTACHMENT A

MorganStanley
SmithBarney

Reserved
Client Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. **Account number 356-73533-17 640**

EIN: 20-5848514

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	MILLICOM INTL CELLULAR SA NEW	MICC	12/29/09	$ 37,342 50	$ 74 685	$ 95 60	$ 47,800 00	$ 10,457.50 LT	2 761%	$ 1,320 00
1,000	BANK NEW YORK MELLON CORP	BK	03/15/10	29,900 00	29 90	30 20	30,200 00	300 00 ST	1 192	360 00
2,000	CTS CORP	CTS	05/14/08	21,498 00	10 749	11 06	22,120 00	622 00 LT	1 084	240 00
600	CABLEVISION SYSTEMS CORP CABLEVISION NY GROUP CL A	CVC	11/19/10	18,563 94	30 939	33 84	20,304 00	1,740 06 ST	1 477	300 00
400	FLOWSERVE CORP	FLS	10/28/02	35,912 00	89 78	119 22	47,688 00	11,776 00* LT	972	464.00
1,000	GRAFTECH INTERNATIONAL LTD	GTI	11/13/08	5,219 20	5 219	19 84	19,840 00	14,620 80 LT		
1,000			11/26/08	6,256 70	6 256	19 84	19,840 00	13,583 30 LT		
2,000				11,475 90	5 738		39,680 00	28,204 10		

ATTACHMENT A

MorganStanley
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Reserved
Client Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. **Account number 356-73533-17 640**

EIN: 20-5848514

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	GRIFFON CORP	GFF	12/21/09	$ 11,770 00	$ 11 77	$ 12 74	$ 12,740 00	$ 970 00 LT		
2,000	HERLEY INDS INC	HRLY	06/19/08	31,325 00	15 662	17 32	34,640 00	3,315 00 LT		
348	JPMORGAN CHASE & CO	JPM	06/02/08	15,111 56	43 43	42 42	14,762 16	(349 40) LT		
300			01/21/09	5,772 00	19 24	42 42	12,726 00	6,954 00 LT		
200			03/26/09	5,800 00	29 00	42 42	8,484 00	2,684 00 LT		
848				26,683 56	31 466		35,972 16	9,288 60	471	169 60
1,000	KRAFT FOODS INC CLASS A	KFT	03/15/10	29,528 00	29 528	31 51	31,510 00	1,982 00 ST	3 681	1,160.00
400	NATIONAL FUEL GAS CO	NFG	12/14/09	19,767 48	49 418	65 62	26,248 00	6,480 52 LT	2 103	552.00
2,000	NEWS CORP CLASS A NEW	NWSA	07/23/90	42,980 00	21 49	14 56	29,120 00	(13,860 00)*LT	1 03	300 00
2,000	PNM RESOURCES INC	PNM	02/11/08	28,508 00	14 254	13 02	26,040 00	(2,468 00)* LT		
500			03/07/08	4,735 00	9 47	13 02	6,510 00	1,775 00* LT		
1,000			10/09/08	9,049 00	9 049	13 02	13,020 00	3,971 00 LT		
3,500				42,292 00	12 083		45,570.00	3,278 00	3.84	1,750 00
2,000	S L INDUSTRIES INC	SLI	05/14/08	27,930 00	13 965	17 49	34,980 00	7,050 00 LT		
500			12/14/09	3,878 55	7 757	17 49	8,745 00	4,866 45 LT		
2,500				31,808 55	12 723		43,725 00	11,916 45		
1,000	TELEPHONE & DATA SYSTEMS INC	TDS	05/14/08	43,438 50	43 438	36 55	36,550 00	(6,888 50) LT		
400			08/26/08	14,840 00	37.10	36 55	14,620 00	(220 00) LT		
600			09/15/08	21,033 12	35 055	36 55	21,930 00	896 88 LT		
2,000				79,311 62	39 656		73,100 00	(6,211 62)	1 231	900 00
1,000	THOMAS & BETTS CORP	TNB	10/16/00	50,990.00	50 99	48 30	48,300 00	(2,690 00)*LT		
2,000	TREDEGAR CORP	TG	05/14/08	29,052 00	14.526	19 38	38,760 00	9,708 00 LT	825	320 00
1,000	UNITED STATES CELLULAR CORP	USM	09/18/08	46,476 50	46 476	49 94	49,940 00	3,463 50 LT		
300	VIACOM INC CL A NEW	VIA	12/21/07	13,185 12	43 95	45 86	13,758 00	572 88* LT		
300			09/15/08	8,015 10	26 717	45 86	13,758 00	5,742 90 LT		
400			09/18/08	10,360 00	25 90	45 86	18,344 00	7,984 00 LT		
1,000				31,560 22	31 56		45,860 00	14,299 78	1 308	600 00
2,500	WELLS FARGO & CO NEW	WFC	04/18/08	77,026 50	30 81	30 99	77,475 00	448 50 LT	.645	500 00
Total common stocks and options				$ 705,263.77			$ 800,752 16	$ 4,022.06 ST	1.11	
								$ 91,468.33 LT		$ 8,835.60

ATTACHMENT B

MorganStanley
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Reserved Client
Business FMA Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC.
EIN: 20-5848514

Account number 356-73534-16 540

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated Income (annualized)
21,280	ISHARES MSCI AUSTRALIA INDEX FUND Equity portfolio	EWA	02/17/10	**$ 474,603 58**	$ 22 302	$ 25 44	**$ 541,363 20**	**$ 66,759 62**	ST	3 262 %	$ 17,662 40
8,690	ISHARES MSCI TURKEY Equity portfolio	TUR	02/17/10	**473,865 70**	54.53	66 21	**575,364 90**	**101,499 20**	ST	1 924	11,071 06
12,675	ISHARES S&P LATIN AMERICA 40	ILF	07/09/10	568,331 79	44 838	53 86	682,675 50	114,343 71	ST		
6,920	INDEX FUND		11/08/10	374,579 60	54 13	53 86	372,711 20	(1,868 40)	ST		
19,595	Equity portfolio			**942,911.39**	**48.12**		**1,055,386 70**	**112,475.31**		2 176	22,965 34
13,095	ISHARES RUSSELL MIDCAP VALUE	IWS	10/14/09	477,293 11	36 448	45 01	589,405 95	112,112 84	LT		
5,425	INDEX FD		07/16/10	202,949 25	37 41	45 01	244,179 25	41,230 00	ST		
18,520	Equity portfolio			**680,242 36**	**36 73**		**833,585 20**	**153,342 84**		1 95	16,260 56
11,585	ISHARES TR S&P MIDCAP 400	IJH	02/25/09	543,434 98	46 908	90 69	1,050,643 65	507,208 67	LT		
2,000	INDEX FD		03/11/09	86,732 00	43 366	90 69	181,380 00	94,648 00	LT		
1,480	Equity portfolio		06/18/10	114,700 00	77 50	90 69	134,221 20	19,521 20	ST		
15,065				**744,866 98**	**49 444**		**1,366,244 85**	**621,377.87**		1 055	14,417 21
14,900	ISHARES RUSSELL 2000 INDEX FD	IWM	04/11/08	1,035,408 45	69 49	78 24	1,165,776 00	130,367 55	LT		
2,000	Equity portfolio		10/30/08	100,090 20	50 045	78 24	156,480 00	56,389 80	LT		
3,000			03/11/09	110,268 00	36 756	78 24	234,720 00	124,452 00	LT		
19,900				**1,245,766 65**	**62 601**		**1,556,976 00**	**311,209 35**		1 142	17,790 60
22,430	ISHARES R3000 GROWTH INDEX FD Equity portfolio	IWZ	12/03/10	**1,033,574 40**	46 08	46 93	**1,052,639 90**	**19,065 50**	ST	1 174	12,358 93
6,405	ISHARES DOW JONES U S TECH	IYW	10/27/10	394,092 60	61 528	64 38	412,353 90	18,261 30	ST		
10,200	INDEX FD		11/05/10	649,536 00	63 68	64 38	656,676 00	7,140 00	ST		
16,605	Equity portfolio			**1,043,628 60**	**62 85**		**1,069,029 90**	**25,401 30**		427	4,566.38

ATTACHMENT B

MorganStanley SmithBarney

Reserved Client Business FMA Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. **Account number 356-73534-16 540**

EIN: 20-5848514

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
8,210	ISHARES TR S&P SM CAP 600 INDX	IJR	03/02/10	$ 468,043 07	$ 57 008	$ 68 47	$ 562,138 70	$ 94,095 63 ST		
8,610	FUND		03/08/10	503,090 05	58 43	68 47	589,526 70	86,436 65 ST		
16,820	Equity portfolio			**971,133 12**	**57.737**		**1,151,665 40**	**180,532 28**	**1.076**	**12,396 34**
19,000	ISHARES DOW JONES U S	IAT	10/02/08	645,015 80	33 948	24 74	470,060 00	(174,955 80) LT		
12,515	REGIONAL BANKS INDEX FUND		10/10/08	334,179 28	26 702	24 74	309,621 10	(24,558 18) LT		
31,515	Equity portfolio			**979,195 08**	**31 071**		**779,681 10**	**(199,513 98)**	**1 107**	**8,635 11**
3,300	ISHARES DOW JONES U S OIL&GAS	IEO	10/30/08	134,283 27	40 691	63 85	210,705 00	76,421 73 LT		
18,920	EXPLORATION&PROD INDEX FD		04/27/09	726,584 76	38 403	63 85	1,208,042 00	481,457 24 LT		
22,220	Equity portfolio			**860,868 03**	**38 743**		**1,418,747 00**	**557,878 97**	**.269**	**3,821 84**
12,875	MARKET VECTORS GOLD MINERS ETF	GDX	03/08/10	593,480 85	46 095	61 47	791,426 25	197,945 40 ST		
1,535	TR		03/26/10	66,241 39	43 154	61 47	94,356.45	28,115 06 ST		
14,410	Equity portfolio			**659,722 24**	**45 782**		**885,782.70**	**226,060 46**	**652**	**5,778 41**
22,530	SPDR INDEX SHS FDS S&P INTL SMALL CAP ETF Equity portfolio	GWX	08/05/10	**597,916 91**	26 538	30 84	**694,825 20**	**96,908 29** ST	**2 363**	**16,424.37**
13,860	SPDR SER TR S&P PHARMACEUTICALS ETF Equity portfolio	XPH	12/02/10	**621,898 20**	44 87	46 09	**638,807 40**	**16,909 20** ST	**685**	**4,379 76**
32,130	SPDR SER TR S&P OIL & GAS EQUIP & SVCS ETF Equity portfolio	XES	10/16/09	**970,509 14**	30 205	36 71	**1,179,492 30**	**208,983 16** LT	**858**	**10,120 95**
10,415	SPDR SER TR S&P DIVID ETF Equity portfolio	SDY	07/09/10	**488,046 90**	46 86	51 98	**541,371 70**	**53,324 80** ST	**3 351**	**18,142 93**
10,255	SPDR SER TR S&P BIOTECH ETF Equity portfolio	XBI	12/02/10	**622,170 85**	60 67	63 08	**646,885 40**	**24,714 55** ST	**.003**	**20 51**
34,055	SELECT SECTOR SPDR INDUSTRIAL Equity portfolio	XLI	05/25/10	**964,366 08**	28 317	34 87	**1,187,497 85**	**223,131 77** ST	**1 68**	**19,956 23**
13,370	VANGUARD INTL EQUITY INDEX FDS	VEU	08/05/10	584,532 39	43 719	47 73	638,150 10	53,617 71 ST		
10,090	FTSE ALL-WORLD EX-US INDEX SHS		08/11/10	425,773 78	42 197	47 73	481,595 70	55,821 92 ST		
23,460	Equity portfolio			**1,010,306 17**	**43 065**		**1,119,745 80**	**109,439 63**	**2 134**	**23,905 74**
805	VANGUARD EMERGING MARKETS ETF	VWO	04/11/08	39,260 37	48 77	48 146	38,757 53	(502 84) LT		
3,330	Equity portfolio		10/30/08	81,348 90	24 429	48 146	160,326 18	78,977 28 LT		
1,205			11/05/08	31,171 66	25 868	48 146	58,015 93	26,844 27 LT		
17,835			11/06/08	461,366 48	25 868	48 146	858,683 91	397,317 43 LT		
960			02/20/09	19,764 48	20 588	48 146	46,220 16	26,455 68 LT		
4,000			03/11/09	84,754 80	21.188	48 146	192,584 00	107,829 20 LT		

MorganStanley
SmithBarney

Reserved Client
Business FMA Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. **Account number 356-73534-16 540**

EIN: 20-5848514

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,010	VANGUARD EMERGING MARKETS ETF	VWO	04/17/09	$ 27,466 55	$ 27 194	$ 48 146	$ 48,627 46	$ 21,160 91 LT		
8,710	Equity portfolio		07/14/10	351,799 51	40 39	48 146	419,351 66	67,552 15 ST		
37,855				**1,096,932 75**	**28 977**		**1,822,566 83**	**725,634 08**	**1.692**	**30,851 83**
13,785	VANGUARD REIT ETF	VNQ	08/28/09	539,239 60	39 365	55 37	763,275 45	224,035 85 LT *R*		
8,250	Equity portfolio		12/17/09	361,424 89	43 953	55 37	456,802 50	95,377 61 LT *R*		
22,035				**900,664 49**	**40 874**		**1,220,077 95**	**319,413 46**	**3 415**	**41,668 19**
700	ISHARES BARCLAYS TREAS	TIP	04/15/08	75,787 83	108 839	107 52	75,264 00	(523 83) LT *R*		
1,100	INFLATION PROTECTED SECS FD		10/30/08	102,341 73	93 609	107 52	118,272 00	15,930 27 LT *R*		
1,500	Taxable bond portfolio		04/17/09	150,068 19	100 55	107 52	161,280 00	11,211 81 LT *R*		
1,000			05/19/09	100,883 49	101 30	107 52	107,520 00	6,636 51 LT *R*		
125			05/21/09	12,602 56	101 237	107 52	13,440 00	837 44 LT *R*		
775			07/27/10	81,816 36	105 569	107 52	83,328 00	1,511 64 ST		
300			10/13/10	33,467 40	111 558	107 52	32,256 00	(1,211 40) ST		
5,500				**556,967 56**	**101 267**		**591,360 00**	**34,392 44**	**2.504**	**14,811 50**
1,850	ISHARES BARCLAYS US AGGR BOND	AGG	04/15/08	189,254 82	102 299	105 75	195,637 50	6,382 68 LT		
1,050	FD		07/27/10	112,759 50	107 39	105 75	111,037 50	(1,722 00) ST		
500	Taxable bond portfolio		10/13/10	54,279 00	108 558	105 75	52,875 00	(1,404 00) ST		
3,400				**356,293 32**	**104 792**		**359,550 00**	**3,256 68**	**3 487**	**12,539 20**
1,500	ISHARES IBOXX $ INVESTOP INVESTMENT GRADE CORP FD FD Taxable bond portfolio	LQD	10/13/10	**169,308 00**	112 872	108 44	**162,660 00**	**(6,648 00)** ST	**4 869**	**7,921.50**
1,100	ISHARES BARCLAYS 1-3 YEAR TREAS BOND FUND Taxable bond portfolio	SHY	04/15/08	**92,124 89**	83 749	83 98	**92,378 00**	**253 11** LT	**1 028**	**950.40**
1,800	ISHARES JP MORGAN EM BOND FD	EMB	10/30/08	125,834 04	69 907	107 08	192,744 00	66,909 96 LT		
1,000	Taxable bond portfolio		01/07/09	87,941 20	87 941	107 08	107,080 00	19,138 80 LT		
2,000			04/17/09	180,476 60	90.238	107 08	214,160 00	33,683 40 LT		
500			05/19/09	46,990 00	93 98	107 08	53,540 00	6,550 00 LT		
750			07/28/10	80 565 00	107 42	107 08	80,310 00	(255 00) ST		
500			10/13/10	56,818 00	113 636	107 08	53,540 00	(3,278 00) ST		
6,550				**578,624 84**	**88 34**		**701,374 00**	**122,749 16**	**5 149**	**38,116 70**
3,800	ISHARES BARCLAYS INTERMED GOVT	GVI	01/07/09	402,794 22	105 998	107 88	409,944 00	7,149 78 LT		
1,000	CR BD FD		04/17/09	103,649 50	103 649	107 88	107,880 00	4,230 50 LT		
750	Taxable bond portfolio		07/27/10	81,559 28	108 745	107 88	80,910 00	(649 28) ST		
500			10/13/10	55,434 50	110 869	107 88	53,940 00	(1,494 50) ST		
6,050				**643,437 50**	**106 353**		**652,674 00**	**9,236 50**	**2 865**	**18,700 55**

ATTACHMENT B

MorganStanley SmithBarney

Reserved Client Business FMA Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. Account number 356-73534-16 540

EIN: 20-5848514

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,800	ISHARES BARCLAYS INTERMEDIATE	CIU	04/17/09	$ 266,000 00	$ 95 00	$ 105 18	$ 294,504 00	$ 28,504 00 LT		
500	CR BD FD		05/19/09	48,537 40	97 074	105 18	52,590 00	4,052 60 LT		
1,250	Taxable bond portfolio		07/27/10	132,799 25	106.239	105 18	131,475 00	(1,324 25) ST		
1,000			10/13/10	108,349 00	108 349	105 18	105,180 00	(3,169 00) ST		
5,550				**555,685.65**	**100.124**		**583,749.00**	**28,063 35**	**4 16**	**24,286 80**
3,800	ISHARES BARCLAYS 1-3 YR CD	CSJ	07/27/10	397,404 00	104 58	104 28	396,264 00	(1,140 00) ST		
1,000	BD FD		10/13/10	105,109 00	105 109	104.28	104,280 00	(829 00) ST		
4,800	Taxable bond portfolio			**502,513 00**	**104 69**		**500,544 00**	**(1,969 00)**	**2.481**	**12,422 40**
3,225	ISHARES BARCLAYS SHORT TREAS	SHV	03/30/10	355,395 00	110 20	110 24	355,524 00	129 00 ST		
1,000	BD FD		07/27/10	110,208 00	110 208	110 24	110,240 00	32 00 ST		
575	Taxable bond portfolio		10/13/10	63,386 85	110 238	110 24	63,388 00	1 15 ST		
4,800				**528,989 85**	**110 206**		**529,152.00**	**162.15**	**078**	**417.60**
4,600	ISHARES S&P U S PREFERRED STK	PFF	04/15/08	198,260 00	43 10	38 80	178,480 00	(19,780 00) LT		
5,000	INDEX FD		10/30/08	145,500 00	29 10	38 80	194,000 00	48,500 00 LT		
3,000	Taxable bond portfolio		07/27/10	117,627 00	39 209	38 80	116,400 00	(1,227 00) ST		
1,000			10/13/10	39,828 00	39.828	38 80	38,800 00	(1,028 00) ST		
13,600				**501,215 00**	**36.854**		**527,680 00**	**26,465 00**	**7.327**	**38,664.80**
1,900	MFS MULTIMARKET INCM TR SBI Taxable bond portfolio	MMT	01/07/09	**9,690 00**	5 10	6 90	**13,110.00**	**3,420 00** LT	**9.565**	**1,254 00**
2,900	POWERSHARES GLOBAL EXCHANGE	PCY	07/27/10	78,097 00	26 93	26 67	77,343 00	(754 00) ST		
1,500	EMERGING MARKETS SOVEREIGN		10/13/10	42,747 00	28 498	26 67	40,005 00	(2,742 00) ST		
4,400	DEBT PORTFOLIO TRADED FD TR Taxable bond portfolio			**120,808.09**	**27.465**		**117,348 00**	**(3,496 00)**	**5.901**	**6,925 60**
8,570	PROSHARES SHORT 20+ YEAR TREAS	TBF	04/20/10	424,386 40	49 52	44.25	379,222 50	(45,163 90) ST		
2,405	Taxable bond portfolio		05/07/10	110,311 34	45 867	44 25	106,421 25	(3,890 09) ST		
255			07/09/10	11,135 85	43 67	44 25	11,283 75	147 90 ST		
905			09/10/10	37,809 27	41 778	44 25	40,046 25	2,236 98 ST		
865			10/13/10	35,757 37	41 338	44 25	38,276 25	2,518 88 ST		
13,000				**619,400 23**	**47 646**		**575,250.00**	**(44,150 23)**		
3,755	SPDR SERIES TR BARCLAYS HIGH	JNK	07/14/10	145,669 59	38 793	39.71	149,111 05	3,441 46 ST		
1,545	YIELD BD ETF		07/27/10	60,885 51	39 408	39 71	61,351 95	466 44 ST		
1,500	Taxable bond portfolio		10/13/10	60,582 75	40 388	39 71	59,565 00	(1,017 75) ST		
6,800				**267,137 85**	**39 285**		**270,028.00**	**2,890 15**	**9.345**	**25,234 80**

ATTACHMENT B

MorganStanley SmithBarney

Reserved Client Business FMA Statement

December 1 - December 31, 2010

TOWER FAMILY FUND INC. ***Account number 356-73534-16 540***

EIN: 20-5848514

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3,800	SPDR SER TR	LAG	01/07/09	$ 212,245.20	$ 55 854	$ 55 56	$ 211,128 00	($ 1,117 20) LT		
1,000	LEHMAN AGGREGATE BD ETF		05/19/09	54,785 68	54 785	55 56	55,560 00	774.32 LT		
4,800	Taxable bond portfolio			**267,030.88**	**55 631**		**266,688.00**	**(342 88)**	**3 059**	**8,160.00**
Total closed end fund equity allocation							**$ 21,337,737 28**			
Total closed end fund taxable bond allocation							**$ 5,943,545 00**			
Total exchange traded funds and closed end funds				**$ 23,152,416.28**			**$ 27,281,282.28**	**$ 1,316,063.54 ST**	**1.91**	
								$ 2,812,766 55 LT		**$ 521,600.54**

ATTACHMENT C

Tower Family Fund, Inc.
Investments - U.S. & State Government Obligations
12/31/2010
EIN: 20-5848514

Morgan Stanley Smith Barney
Brokerage Account 356-73534-16

Description	Trade Quantity	Book Value	Fair Market Value
US Treasury STRIP 02/15/23 0 00%	3,000,000	1,630,337.50	1,846,020 00
Total	3,000,000	1,630,337 50	1,846,020 00

ATTACHMENT D

Tower Family Fund, Inc.
Capital Gains and Losses
December 31, 2010
EIN: 20-5848514

Smith Barney
Brokerage Acct # 356-73533

Description of Property			D/P	Date Acquired	Date Sold	Gross Sale Price	Cost or Other Basis: Revenue Per Books	Cost or Other Basis: Net Investment Income	Gain/(Loss) Per Books	Gain/(Loss) Investment
500 000	SHRS	Graftech International Inc	P	11/13/08	11/04/10	9,524 88	2,609 60	2,609 60	6,915 28	6,915 28
1,500 000	SHRS	Hawk Corp CL A	P	05/14/08	Various	60,014 02	26,662 50	26,662 50	33,351 52	33,351 52
1,000 000	SHRS	MGM Mirage	P	Various	Various	12,515 55	18,033 85	18,033 85	(5,518 30)	(5,518 30)
3,000 000						82,054 45	47,305 95	47,305 95	34,748 50	34,748 50
Total						82,054 45	47,305 95	47,305.95	34,748.50	34,748.50

ATTACHMENT E

Tower Family Fund, Inc.
Capital Gains and Losses
December 31, 2010
EIN 20-5848514

Smith Barney
Brokerage Acct # 356-73534

Description of Property			D/P	Date Acquired	Date Sold	Gross Sale Price	Cost or Other Basis: Revenue per Books	Cost or Other Basis: Net Investment Income	Gain/(Loss) Per Books	Gain/(Loss) Investment
15,000 000	SHRS	Franklin STR PPTYS Corp	P	Various	12/21/10	205,131 43	218,099 66	218,099 66	(12,968 23)	(12,968 23)
200 000	SHRS	Ishares Barclays 1-3 YR CD	P	07/27/10	12/21/10	20,854 04	20,916 00	20,916 00	(61 96)	(61 96)
1,421 000	SHRS	Ishares Barclays Govt CR BF FD	P	Various	07/14/10	153,404 30	146,743 89	146,743 89	6,660 41	6,660 41
200 000	SHRS	Ishares Barclays Intermed Govt FD	P	Various	12/21/10	21,546 03	21,091 82	21,091 82	454 21	454 21
200 000	SHRS	Ishares Barclays Intermediate CR FD	P	04/17/09	12/21/10	21,006 84	19,000 00	19,000 00	2,006 84	2,006 84
200 000	SHRS	Ishares Barclays Short Treasury BD FD	P	03/30/10	12/21/10	22,046 02	22,040 00	22,040 00	6 02	6 02
200 000	SHRS	Ishares Barclays TIPS Bond Fund	P	04/15/08	12/21/10	21,444 03	21,653 67	21,653 67	(209 64)	(209 64)
100 000	SHRS	Ishares Barclays US Aggregate FD	P	04/15/08	12/21/10	10,544 02	10,229 99	10,229 99	314 03	314 03
500 000	SHRS	Ishares Dow Jones US Tech Index FD	P	10/27/10	12/21/10	32,366 45	30,764 45	30,764 45	1,602 00	1,602 00
700 000	SHRS	Ishares Dow Jones US Oil & Gas	P	10/30/08	12/21/10	43,804 62	28,484 33	28,484 33	15,320 29	15,320 29
1 000 000	SHRS	Ishares Dow Jones US Regional Banks	P	Various	12/21/10	24,293 58	29,643 18	29,643 18	(5,349 60)	(5,349 60)
5,000 000	SHRS	Ishares Iboxx $ High Yield Corp BD FD	P	Various	04/20/10	444,142 49	374 190 87	374,190 87	69,951 62	69,951 62
200 000	SHRS	Ishares JPMorgan EM Bond FD	P	10/30/08	12/21/10	21,398 03	13,981 56	13,981 56	7,416 47	7,416 47
700 000	SHRS	Ishares MSCI Australia Index FD	P	02/17/10	12/21/10	17,466 10	15,611 96	15,611 96	1,854 14	1,854 14
10,410 000	SHRS	Ishares MSCI South Korea Index FD	P	02/17/10	06/17/10	487,908 45	491,261 43	491,261 43	(3,352 98)	(3,352 98)
300 000	SHRS	Ishares MSCI Turkey	P	02/17/10	12/21/10	19,297 47	16,359 00	16,359 00	2,938 47	2,938 47
700 000	SHRS	Ishares R3000 Growth Index FD	P	12/03/10	12/21/10	32,987 64	32,256 00	32,256 00	731 64	731 64
600 000	SHRS	Ishares Russell 2000 Index FD	P	Various	12/21/10	47,466 39	46,869 72	46,869 72	596 67	596 67
600 000	SHRS	Ishares Russell Midcap Value FD	P	10/14/09	12/21/10	27,012 74	21,869 10	21,869 10	5,143 64	5,143 64
24,700 000	SHRS	Ishares S&P Latin America 40 Index FD	P	Various	Various	1,121,995 76	974,521 46	974,521 46	147,474 30	147,474 30
400 000	SHRS	Ishares S&P US Preferred Stk Index FD	P	04/15/08	12/21/10	15,392 53	17,240 00	17,240 00	(1,847 47)	(1,847 47)
5 000 000	SHRS	Ishares TR DJ Transportation Idx FD	P	10/02/08	04/20/10	418,992 91	385,892 50	385,892 50	33,100 41	33,100 41
21,500 000	SHRS	Ishares TR MSCI EAFE Index FD	P	Various	02/05/10	1,090,646 74	1,270,253 87	1,270,253 87	(179,607 13)	(179,607 13)
17,855 000	SHRS	Ishares TR S&P 500 Index FD	P	01/11/10	01/29/10	1,939,662 21	2,051,485 94	2,051,485 94	(111,823 73)	(111,823 73)
21,405 000	SHRS	Ishares TR S&P Global Material	P	04/28/09	04/29/10	1,344,853 42	867,392 67	867,392 67	477,460 75	477,460 75
500 000	SHRS	Ishares TR S&P Midcap 400 Idx FD	P	Various	12/21/10	45,540 23	25,397 54	25,397 54	20,142 69	20,142 69
500 000	SHRS	Ishares TR S&P SM Cap 600 Idx FD	P	03/02/10	12/21/10	34,726 41	28,504 45	28,504 45	6,221 96	6,221 96
22,830 000	SHRS	Ishares TR FTSE Xinhau HK China Idx	P	Various	04/28/10	935,096 42	713,163 98	713,163 98	221,932 44	221,932 44
9,015 000	SHRS	Market Vectors Gold Miners ETF	P	03/08/10	Various	518,289 54	415,551 83	415,551 83	102,737 71	102,737 71
2,000 000	SHRS	MFS Government Markets Income Tr	P	01/07/09	Various	15,288 91	13,964 30	13,964 30	1,324 61	1,324 61
100 000	SHRS	MFS Multimarket Income Trust	P	01/07/09	12/21/10	666 18	510 00	510 00	156 18	156 18
100 000	SHRS	Powershares Global Exch Emerging Mkts	P	07/27/10	12/21/10	2,654 15	2,693 00	2,693 00	(38 85)	(38 85)
400 000	SHRS	Proshares Short 20+ Year Treas BD FD	P	04/20/10	12/21/10	17,966 09	19,808 00	19,808 00	(1,841 91)	(1,841 91)
38,960 000	SHRS	Proshares Short Russell 2000	P	05/03/10	Various	1,512,208 43	1,462,168 80	1,462,168 80	50,039 63	50,039 63
17,020 000	SHRS	Proshares Short S&P 500 Index FD	P	05/19/10	06/29/10	926,228 06	871,127 85	871,127 85	55,100 21	55,100 21
4,000 000	SHRS	Putnam Master Intermediate Income FD	P	01/07/09	08/04/10	25,419 17	17,400 00	17,400 00	8,019 17	8,019 17
4,000 000	SHRS	Putnam Premier Income TR SBI	P	01/07/09	Various	27,116 58	16,960 00	16,960 00	10,156 58	10,156 58
1,100 000	SHRS	Select Sector SPDR Industrial	P	05/25/10	12/21/10	38,259 55	31,149 69	31,149 69	7,109 86	7,109 86
90,385 000	SHRS	Select Sector SPDR TR Financial	P	Various	12/02/10	1,365,242 35	1,307,616 63	1,307,616 63	57,625 72	57,625 72
39,220 000	SHRS	Select Sector SPDR Technology	P	03/11/09	05/18/10	872,630 25	559,116 40	559,116 40	313,513 85	313,513 85
33,540 000	SHRS	Select Sector SPDR Consumer Distret	P	03/25/09	03/26/10	1,112,571 40	674,154 00	674,154 00	438,417 40	438,417 40
700 000	SHRS	SPDR Index SHS S&P Intl Small Cap	P	08/05/10	12/21/10	20,859 64	18,577 09	18,577 09	2,282 55	2,282 55
300 000	SHRS	SPDR SER TR S&P Biotech ETF	P	12/02/10	12/21/10	19,309 47	18,201 00	18,201 00	1,108 47	1,108 47
8,238 000	SHRS	SPDR SER TR Lehman 1-3 Month T-Bill	P	10/09/09	03/30/10	377,627 65	377,877 06	377,877 06	(249 41)	(249 41)
200 000	SHRS	SPDR SER TR Lehman Aggregate	P	01/07/09	12/21/10	11,234 01	11,170 80	11,170 80	63 21	63 21
300 000	SHRS	SPDR SER TR S&P Divid ETF	P	07/09/10	12/21/10	15,606 33	14,058 00	14,058 00	1,548 33	1,548 33
1,000 000	SHRS	SPDR SER TR S&P Oil&Gas Equip&Svc	P	10/16/09	12/21/10	36,303 38	30,205 69	30,205 69	6,097 69	6,097 69
400 000	SHRS	SPDR SER TR S&P Pharmaceuticals	P	12/02/10	12/21/10	18,714 08	17,948 00	17,948 00	766 08	766 08
200 000	SHRS	SPDR SER TR Barclays High Yield	P	07/14/10	12/21/10	8,058 26	7,758 70	7,758 70	299 56	299 56
15,865 000	SHRS	Vanguard Emerging Mkts ETF	P	04/11/08	Various	610,930 54	773,746 37	773,746 37	(162,815 83)	(162,815 83)
700 000	SHRS	Vanguard Intl Equity FTSE All-World Ex-US	P	08/05/10	12/21/10	33,600 83	30,603 79	30,603 79	2,997 04	2,997 04
700 000	SHRS	Vanguard REIT ETF	P	08/28/09	12/21/10	38,255 75	27,382 50	27,382 50	10,873 25	10,873 25
11,000 000	SHRS	Vanguard Specialized Div Appreciation	P	Various	07/09/10	501,385 82	563,302 80	563,302 80	(61,916 98)	(61,916 98)
26,420 000	SHRS	Vanguard World FD Mega Cap 300	P	11/19/09	09/15/10	1,016,888 61	1,006,311 38	1,006,311 38	10,577 23	10,577 23
30,000 000	SHRS	US Treasury STRIPS 2/15/2018	D	08/08/97	07/09/10	2,432,586 28	2,030,584 70	1,631,325 69	402,001 58	801,260 59
488,784 000						20,196,928 61	18,234,867 42	17,835,608 41	1,962,061 19	2,361,320 20
Total						**20,196,928 61**	**18,234,867.42**	**17,835,608 41**	**1,962,061.19**	**2,361,320 20**

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CITIGROUP GLOBAL MARKETS - SEE ATTACHMENT D		VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
82,054.	47,306.	0.	0.	34,748.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CITIGROUP GLOBAL MARKETS - SEE ATTACHMENT E		VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
20,196,929.	18,234,867.	0.	0.	1,962,062.

CAPITAL GAINS DIVIDENDS FROM PART IV	5,593.
TOTAL TO FORM 990-PF, PART I, LINE 6A	2,002,403.

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

SOURCE	AMOUNT
MONEY MARKET DIVIDENDS	7,613.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	7,613.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS FROM SECURITIES	503,492.	5,593.	497,899.
US TREASURY STRIP OID	119,711.	0.	119,711.
TOTAL TO FM 990-PF, PART I, LN 4	623,203.	5,593.	617,610.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	11,754.	3,918.		7,836.
TO FM 990-PF, PG 1, LN 16A	11,754.	3,918.		7,836.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	15,163.	7,581.		7,582.
TO FORM 990-PF, PG 1, LN 16B	15,163.	7,581.		7,582.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COMMISSIONS	59,049.	19,683.		39,366.
INVESTMENT MANAGEMENT FEES	110,741.	110,741.		0.
TO FORM 990-PF, PG 1, LN 16C	169,790.	130,424.		39,366.

FORM 990-PF | TAXES | STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	8,989.	8,989.		0.
FEDERAL TAXES	22,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	30,989.	8,989.		0.

FORM 990-PF | OTHER EXPENSES | STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSE	222.	0.		222.
INSURANCE	1,585.	0.		1,585.
PROFESSIONAL MEMBERSHIPS	495.	0.		495.
NYS FILING FEE	750.	0.		750.
TO FORM 990-PF, PG 1, LN 23	3,052.	0.		3,052.

FORM 990-PF | U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS | STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US STRIPS - CITIGROUP GLOBAL MARKETS #73534 (SEE ATTACHMENT C)	X		1,630,338.	1,846,020.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,630,338.	1,846,020.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,630,338.	1,846,020.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - CITIGROUP GLOBAL MARKETS #73533 (SEE ATTACHMENT A)	705,264.	800,752.
15,000.00 SH FRANKLIN STR PPTYS CORP	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	705,264.	800,752.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CITIGROUP GLOBAL MARKETS #73534 (SEE ATTACHMENT B)	COST	23,152,416.	27,281,282.
TOTAL TO FORM 990-PF, PART II, LINE 13		23,152,416.	27,281,282.

FORM 990-PF | GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR | STATEMENT 12

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ASPCA 424 E. 92ND STREET NEW YORK, NY 10128	CHARITABLE	501 (C)(3)	4,000.
BENT ON LEARNING 800 THIRD AVENUE, 12TH FLOOR NEW YORK, NY 10022	CHARITABLE	501 (C)(3)	1,000.
BUFFALO PHILHARMONIC ORCHESTRA 499 FRANKLIN STREET BUFFALO, NY 14202	CHARITABLE	501 (C)(3)	90,000.
BURCHFIELD-PENNEY ART CENTER 1300 ELMWOOD AVENUE BUFFALO, NY 14222	CHALLENGE GRANT	501 (C)(3)	239,577.
DOCTORS WITHOUT BORDERS PO BOX 5030 HAGERSTOWN, MD 21741	CHARITABLE	501 (C)(3)	5,000.
GLOUCESTER MARITIME HERITAGE CENTER 23 HARBOR LOOP GLOUCESTER, MA 01930	CHARITABLE	501 (C)(3)	25,000.
GLOUCESTER STAGE 267 EAST MAIN STREET GLOUCESTER, MA 01930	CHARITABLE	501 (C)(3)	25,000.
HEIFER INTERNATIONAL PO BOX 8058 LITTLE ROCK, AR 72203	CHARITABLE	501 (C)(3)	10,000.

LIFT/NATIONAL STUDENT PARTNERSHIP 800 7TH STREET NW, SUITE 300 WASHINGTON, DC 20001	CHARITABLE	501 (C)(3)	50,000.
MARTHA'S VINEYARD REGIONAL HIGH SCHOOL 4 PINE STREET VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	8,000.
NEW PROFIT INC. 2 CANAL PARK CAMBRIDGE, MA 02141	CHARITABLE	501 (C)(3)	150,000.
OXFAM AMERICA 226 CAUSEWAY STREET, 5TH FLOOR BOSTON, MA 02114	CHARITABLE	501 (C)(3)	5,000.
PEER HEALTH EXCHANGE, INC. 545 SANSOME STREET, SUITE 900 SAN FRANCISCO, CA 94111	CHARITABLE	501 (C)(3)	50,000.
STAND FOR CHILDREN LEADERSHIP CENTER 516 SE MORISON STREET STE 420 PORTLAND, OR 97211	CHARITABLE	501 (C)(3)	100,000.
THE DRUM WORKSHOP PO BOX 3000 PMB 3172 WEST TISBURY, MA 02575	CHARITABLE	501 (C)(3)	1,000.
THE SALVATION ARMY PO BOX 628 HARTFORD, CT 06105	CHARITABLE	501 (C)(3)	5,000.
V-DAY 11 EAST 22ND STREET NEW YORK, NY 10011	CHARITABLE	501 (C)(3)	5,000.
VISTA VOCATIONAL & LIFE SKILLS CENTER 1356 OLD CLINTON ROAD WESTBROOK, CT 06498	CHARITABLE	501 (C)(3)	1,000.

WINDHORSE ASSOCIATES 211 NORTH STREET, SUITE 1 NORTHAMPTON, MA 01060	CHARITABLE	501 (C)(3)	25,000.
YARD INC. PO BOX 405 CHILMARK, MA 02535	CHARITABLE	501 (C)(3)	3,000.
YMCA OF MARTHA'S VINEYARD PO BOX 881 VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	15,750.
AURORA ICE ASSOCIATION, INC. 681 MAIN STREET EAST AURORA, NY 14052	CHALLENGE GRANT	501 (C)(3)	125,000.
BAY STATE READING INSTITUTE, INC. 114 JENNINGS ROAD HOLLISTON, MA 01746	CHARITABLE	501 (C)(3)	50,000.
COUNTY OF DUKES COUNTY PO BOX 190 EDGARTOWN, MA 02539	CHARITABLE	501 (C)(3)	5,000.
GLOUCESTER FISHERMAN ATHLETIC ASSOCIATION PO BOX 3010 GLOUCESTER, MA 01930	CHARITABLE	501 (C)(3)	25,000.
GOSNOLD ON CAPE COD 200 TER HEUN DRIVE FALMOUTH, MA 02540	CHARITABLE	501 (C)(3)	5,000.
ISLAND AFFORDABLE HOUSING FUND PO BOX 4769 VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	5,000.
ISLAND GROWN INITIATIVE (ISLAND AFFORDABLE HOUSING FUND) PO BOX 4849 VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	500.

MARTHA'S VINEYARD BOYS & GIRLS CLUB 44 ROBINSON ROAD/PO BOX 654 EDGARTOWN, MA 02539	CHARITABLE	501 (C)(3)	5,000.
MASSACHUSETTS GENERAL HOSPITAL 165 CAMBRIDGE STREET, SUITE 600 BOSTON, MA 02114	CHARITABLE	501 (C)(3)	25,000.
MEDIA VOICES FOR CHILDREN 110 DAGGETT AVENUE VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	5,000.
PATHWAYS FOR CHILDREN 29 EMERSON AVENUE GLOUCESTER, MA 01930	CHARITABLE	501 (C)(3)	50,000.
PLUM HILL SCHOOL PO BOX 971 WEST TISBURY, MA 02575	CHARITABLE	501 (C)(3)	500.
ROCKPORT MUSIC INC. PO BOX 312 ROCKPORT, MA 01966	CHARITABLE	501 (C)(3)	100,000.
THE CHOATE ROSEMARY HALL FOUNDATION 333 CHRISTIAN STREET WALLINGFORD, CT 06492	CHARITABLE	501 (C)(3)	50,000.
VINEYARD CONSERVATION SOCIETY PO BOX 2189 VINEYARD HAVEN, MA 02568	CHARITABLE	501 (C)(3)	250.

TOTAL TO FORM 990-PF, PART XV, LINE 3A 1,269,577.