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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 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 ZUCKERMAN FAMILY FOUNDATION		A Employer identification number 36-4120779
Number and street (or P O box number if mail is not delivered to street address) 1049 BLUFF ROAD	Room/suite	B Telephone number 312-621-0593
City or town, state, and ZIP code GLENCOE, IL 60022		C If exemption application is pending, check here <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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,554,440. (Part I, column (d) must be on cash basis)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(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		1,067,220.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		13,047.	13,047.		STATEMENT 2
4 Dividends and interest from securities		3,883.	3,883.		STATEMENT 3
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		19,262.			STATEMENT 1
b Gross sales price for all assets on line 6a	670,897.				
7 Capital gain net income (from Part IV, line 2)			272,918.		
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		311.	21.		STATEMENT 4
12 Total. Add lines 1 through 11		1,103,723.	289,869.		
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 5	2,257.	2,257.		0.
b Accounting fees					
c Other professional fees					
17 Interest					
18 Taxes	STMT 6	5,878.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 7	734.	734.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		8,869.	2,991.		0.
25 Contributions, gifts, grants paid		332,697.			332,697.
26 Total expenses and disbursements. Add lines 24 and 25		341,566.	2,991.		332,697.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		762,157.			
b Net investment income (if negative, enter -0-)			286,878.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only			Beginning of year	End of year	
					(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			153,777.	280,950.	280,950.
	2	Savings and temporary cash investments			294,133.	15,000.	15,000.
	3	Accounts receivable ▶	425.				
		Less: allowance for doubtful accounts ▶			271.	425.	
	4	Pledges receivable ▶					
		Less: allowance for doubtful accounts ▶					
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and other disqualified persons					
	7	Other notes and loans receivable ▶					
		Less: allowance for doubtful accounts ▶					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges					
	10a	Investments - U.S. and state government obligations					
	b	Investments - corporate stock	STMT 9		237,048.	940,384.	1,021,061.
	c	Investments - corporate bonds	STMT 10		105,556.	240,470.	237,429.
11	Investments - land, buildings, and equipment basis ▶						
	Less: accumulated depreciation ▶						
12	Investments - mortgage loans						
13	Investments - other						
14	Land, buildings, and equipment: basis ▶						
	Less: accumulated depreciation ▶						
15	Other assets (describe ▶)						
16	Total assets (to be completed by all filers)			790,785.	1,477,229.	1,554,440.	
Liabilities	17	Accounts payable and accrued expenses			257.	2,514.	
	18	Grants payable			79,500.	1,800.	
	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)			79,757.	4,314.		
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds			10,669.	10,669.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds			700,359.	1,462,246.	
30	Total net assets or fund balances			711,028.	1,472,915.		
31	Total liabilities and net assets/fund balances			790,785.	1,477,229.		

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	711,028.
2	Enter amount from Part I, line 27a	2	762,157.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,473,185.
5	Decreases not included in line 2 (itemize) ▶ PRIOR YEAR ADJUSTMENT	5	270.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,472,915.

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 ATTACHED AMI SCHEDULE	P	VARIOUS	VARIOUS
b SEE ATTACHED AMI SCHEDULE	P	VARIOUS	VARIOUS
c FORM 2439- CAPITAL SOUTHWEST	P	VARIOUS	VARIOUS
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 28,337.		27,800.	537.
b 631,334.		370,179.	261,155.
c 11,226.			11,226.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			537.
b			261,155.
c			11,226.
d			
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	272,918.
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	235,803.	484,909.	.486283
2008	289,380.	663,936.	.435855
2007	161,910.	551,717.	.293466
2006	138,970.	272,153.	.510632
2005	128,165.	375,069.	.341710

2 Total of line 1, column (d)	2	2.067946
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	.413589
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	724,550.
5 Multiply line 4 by line 3	5	299,666.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,869.
7 Add lines 5 and 6	7	302,535.
8 Enter qualifying distributions from Part XII, line 4	8	332,697.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	2,869.
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	2,869.
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	2,869.
6 Credits/Payments: SEE STATEMENT 8			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	3,929.	
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	3,929.	
8 Enter any penalty for underpayment of estimated tax. Check here <input 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	1,060.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 1,060. Refunded <input type="checkbox"/>	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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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		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
4a 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?		
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	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> IL		
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? 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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	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? Website address ► <u>N/A</u>	13		X
14	The books are in care of ► <u>NATHAN GROSSMAN</u> Telephone no. ► <u>312-568-5550</u> Located at ► <u>20 S. CLARK STREET, # 1650, CHICAGO, IL</u> ZIP+4 ► <u>60603</u>			
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 <u>N/A</u>			
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? 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 ►	16	Yes	No
				X

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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> <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 2010? <u>N/A</u>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u>	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. <u>N/A</u>		
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 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) <u>N/A</u>	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

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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)?

☐ 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

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?

If "Yes" to 6b, file Form 8870.

☐ Yes ☒ No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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

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

(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
SHERWIN ZUCKERMAN 1049 BLUFF ROAD GLENCOE, IL 60622	PRES, DIR, SEC 0.00	0.	0.	0.
SHERI ZUCKERMAN 1049 BLUFF ROAD GLENCOE, IL 60622	TREAS, DIR 0.00	0.	0.	0.
NATHAN M. GROSSMAN 20 S. CLARK STREET # 1650 CHICAGO, IL 60603	ASST SEC, DIR 0.00	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 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	516,352.
b	Average of monthly cash balances	1b	219,232.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	735,584.
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	735,584.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	11,034.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	724,550.
6	Minimum investment return. Enter 5% of line 5	6	36,228.

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	36,228.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,869.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,869.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	33,359.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	33,359.
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	33,359.

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	332,697.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	332,697.
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	2,869.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	329,828.

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.

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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				33,359.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	109,992.			
b From 2006	127,434.			
c From 2007	145,576.			
d From 2008	256,513.			
e From 2009	215,446.			
f Total of lines 3a through e	854,961.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$	332,697.			
a Applied to 2009, but not more than line 2a			0.	
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				33,359.
e Remaining amount distributed out of corpus	299,338.			
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	1,154,299.			
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	109,992.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	1,044,307.			
10 Analysis of line 9.				
a Excess from 2006	127,434.			
b Excess from 2007	145,576.			
c Excess from 2008	256,513.			
d Excess from 2009	215,446.			
e Excess from 2010	299,338.			

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			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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))

SEE STATEMENT 11

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

NONE**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

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

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

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

Employer identification number

ZUCKERMAN FAMILY FOUNDATION

36-4120779

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

ZUCKERMAN FAMILY FOUNDATION

36-4120779

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SHERWIN ZUCKERMAN 191 N. WACKER #1500 CHICAGO, IL 60606	\$ 269,230.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	SHERWIN ZUCKERMAN 191 N. WACKER #1500 CHICAGO, IL 60606	\$ 158,800.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	SHERWIN ZUCKERMAN 191 N. WACKER #1500 CHICAGO, IL 60606	\$ 212,720.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	SHERWIN ZUCKERMAN 191 N. WACKER #1500 CHICAGO, IL 60606	\$ 426,470.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

ZUCKERMAN FAMILY FOUNDATION

36-4120779

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	FAIR MARKET VALUE OF 6,500 SHS DIRECTV STOCK	\$ 269,230.	11/10/10
2	FAIR MARKET VALUE OF 20,000 SHS MOTOROLA INC. STOCK	\$ 158,800.	12/15/10
3	FAIR MARKET VALUE OF 8,000 SHS MICROSOFT CORP. STOCK	\$ 212,720.	12/15/10
4	FAIR MARKET VALUE OF 11,000 SHS PETSMART INC. STOCK	\$ 426,470.	12/15/10
		\$	

Name of organization

Employer identification number

ZUCKERMAN FAMILY FOUNDATION

36-4120779

Part III

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once. See instructions.) ► \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD VARIOUS
SEE ATTACHED AMI SCHEDULE						
	28,337.	28,040.	0.		0.	297.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD VARIOUS
SEE ATTACHED AMI SCHEDULE						
	631,334.	623,595.	0.		0.	7,739.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED VARIOUS	DATE SOLD VARIOUS
FORM 2439- CAPITAL SOUTHWEST						
	11,226.	0.	0.		0.	11,226.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	19,262.

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

SOURCE	AMOUNT
JP MORGAN #2620480800	10,866.
JP MORGAN #2620480800 - ACCRUED INT ON SALES	36.
JP MORGAN #2620480800 - AIP	-522.
JP MORGAN #2620480800 - AMORTIZATION	-525.
JP MORGAN #2620480800 - OID	3,121.
JP MORGAN #2620480800 - US GOVT INT	71.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	13,047.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
JP MORGAN #2620480800	3,883.	0.	3,883.
TOTAL TO FM 990-PF, PART I, LN 4	3,883.	0.	3,883.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FEDERAL REFUND	290.	0.	
GOLDEN POND- CASH DISTRIBUTION	21.	21.	
TOTAL TO FORM 990-PF, PART I, LINE 11	311.	21.	

FORM 990-PF		LEGAL FEES		STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL/TAX FEES	2,257.	2,257.		0.	
TO FM 990-PF, PG 1, LN 16A	2,257.	2,257.		0.	

FORM 990-PF		TAXES		STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL TAXES	1,949.	0.		0.	
FEDERAL TAXES- FORM 2439	3,929.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	5,878.	0.		0.	

FORM 990-PF		OTHER EXPENSES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
BANK FEES	709.	709.		0.	
STATE FILING FEES	15.	15.		0.	
ANNUAL FILING FEES	10.	10.		0.	
TO FORM 990-PF, PG 1, LN 23	734.	734.		0.	

		FOOTNOTES		STATEMENT	8
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TAX PAID BY A REGULATED INVESTMENT COMPANY-
SEE ATTACHED FORM 2439

3,929.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	940,384.	1,021,061.
TOTAL TO FORM 990-PF, PART II, LINE 10B	940,384.	1,021,061.

FORM 990-PF	CORPORATE BONDS	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	240,470.	237,429.
TOTAL TO FORM 990-PF, PART II, LINE 10C	240,470.	237,429.

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT	11
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NAME OF MANAGER

SHERWIN ZUCKERMAN
SHERI ZUCKERMAN

Asset Management Investors, LLC
REALIZED GAINS AND LOSSES
Zuckerman Family Foundation
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
06-30-09	05-27-10	10,000	Motorola Inc 7 625% Due 11-15-10	10,062.91		10,312 50	249 59	
04-17-09	07-14-10	5,000	Time Warner Inc 6 875% Due 05-01-12	5,116.91		5,500 00		382 19
08-28-09	08-16-10	10,000	Home Depot Inc 4 625% Due 08-15-10	10,000		10,000 00	0 00	
07-09-09	08-19-10	1,100	Gabelli Healthcare & Wellness Trust	5,507 26		6,799 42		1,292 16
09-16-09	09-17-10	150	DIRECTV - Class A	3,811 19		6,208 06		2,396 87
09-16-09	09-17-10	6,500	DIRECTV - Class A	165,151 35		269,016 03		103,864 68
06-12-09	10-18-10	100	Petsmart Inc	2,063 61		3,577 39		1,513 78
07-28-08	12-02-10	400	Microsoft Corp	10,327 28		10,699 82		372 54
05-28-10	12-02-10	300	Microsoft Corp	7,737 00		8,024 86	287 86	
01-26-09	12-02-10	2,100	Microsoft Corp	36,470 28		56,174 05		19,703 77
06-12-09	12-02-10	200	Petsmart Inc	4,127 22		7,810 26		3,683 04
08-21-09	12-02-10	125	Petsmart Inc	2,529 46		4,881 41		2,351 95
08-21-09	12-02-10	6,675	Petsmart Inc	135,073 30		260,667 56		125,594 26
TOTAL GAINS							537 45	261,155 24
TOTAL LOSSES							0 00	0 00
TOTAL REALIZED GAIN/LOSS							537.45	261,155.24

	<u>Cost</u>	<u>Proceeds</u>	<u>Gain</u>
SHORT-TERM	27,799.91	28,337.36	537.45
LONG-TERM	370,178.76	631,334	261,155.24

ZUCKERMAN FAMILY FOUNDATION
EIN: 36-4120779

ATTACHMENT TO FORM 990-PF, PART XV, LINE 3A
2010 GRANTS PAID DURING THE YEAR

DATE	CHECK #	RECIPIENT	AMOUNT
1/14/2010	211	RAVINIA FESTIVAL	3,000
2/6/2010	213	KESHET'S 2010 CAMPAIGN	10,000
2/16/2010	214	ERIKSON INSTITUTE- PRISM BALL	10,000
2/18/2010	215	OX-BOW	1,000
2/25/2010	216	NATIONAL STUDENT/PARENT MOCK ELECTION	2,000
9/15/2010	217	JEWISH WOMEN'S FOUNDATION OF METRO CHICAGO	20,000
10/7/2010	219	MIDWEST PALLIATIVE & HOSPICE CARE CENTER	180
10/19/2010	220	FRIENDS OF NATHAN FOUNDATION	180
11/11/2010	223	SOUTH HAVEN COMMUNITY FOUNDATION	1,000
11/23/2010	224	CAMPAIGN FOR ERIKSON INSTITUTE	50,000
11/11/2010	225	ZERO TO THREE	500
11/11/2010	226	SNOW CITY ARTS	5,000
11/22/2010	227	THE HILLELS OF ILLINOIS	500
12/6/2010	228	CENTER FOR INVESTIGATIVE REPORTING	2,500
12/7/2010	229	THE JEWISH MUSEUM	1,000
11/29/2010	230	ANTI-DEFAMATION LEAGUE	1,000
4/9/2010	231	FACING HISTORY AND OURSELVES	10,000
5/25/2010	232	THE NIGHT MINISTRY	1,000
5/17/2010	233	THE JEWISH MUSEUM	135
8/30/2010	235	UNITED STATES HOLOCAUST MEMORIAL MUSEUM	5,000
6/8/2010	236	SNOW CITY ARTS	3,000
6/14/2010	237	ERIKSON INSTITUTE	3,000
6/21/2010	238	NORTH SUBURBAN SYNAGOGUE BETH EL	10,142
7/1/2010	239	OX-BOW	1,000
6/29/2010	240	AMERICAN JEWISH COMMITTEE	5,000
7/12/2010	241	FIRST HEBREW CONGREGATION	500
8/23/2010	242	NORTH SUBURBAN SYNAGOGUE BETH EL	250
9/13/2010	243	RUN FOR THE KIDS	250
9/8/2010	247	MERIT SCHOOL OF MUSIC	5,000
9/7/2010	248	FOUNDATION FIGHTING BLINDNESS	5,000
11/26/2010	249	US HOLOCAUST MEMORIAL	20,000
12/2/2010	250	FULCRUMPOINT	10,000
11/24/2010	251	JCC CHICAGO	5,000
11/29/2010	252	THRESHOLDS	1,000
12/1/2010	253	ALZHEIMER'S ASSOCIATION	2,500
11/22/2010	254	JEWISH UNITED FUND OF METRO CHICAGO	2,500
11/24/2010	255	OUNCE OF PREVENTION	2,500
11/24/2010	256	GREATER CHICAGO FOOD DEPOSITORY	2,000
12/3/2010	257	WTTW	2,500
11/22/2010	258	JEWISH UNITED FUND OF METRO CHICAGO	50,000
11/23/2010	259	ERIKSON INSTITUTE- ANNUAL FUND	3,000
11/30/2010	260	CORNELL UNIVERSITY	1,000
12/6/2010	262	JEFFERSON SCHOOL OF NURSING SCHOLARSHIP	180
12/29/2010	263	AMERICAN FRIENDS OF THE HEBREW UNIVERSITY	1,800
5/25/2010		COLUMBUS SCHOOL FOR GIRLS	1,000
8/11/2010		UIC GUILD	3,000
9/15/2010		UNIVERSITY OF MICHIGAN HILLEL	250
9/21/2010		INVEST FOR KIDS	10,000
10/13/2010		JEWISH UNITED FUND	500
10/18/2010		LEHIGH UNIVERSITY	250
10/18/2010		CORNELL UNIVERSITY	2,500
10/21/2010	660	GIFT OF LIFE	1,000
10/25/2010		NATIONAL STUDENT/PARENT MOCK ELECTION	400
10/25/2010		CHARTER HOUSE BENEVOLENT FUND	180
12/3/2010		JOFFREY BALLET CHICAGO CIRCLE	1,500
12/3/2010		BE BRIGHT PINK	1,000
12/31/2010		RUSH	50,000
			332,697

☐ VOID☐ CORRECTED

Name, address, and ZIP code of RIC or REIT Capital Southwest Corporation 12900 Preston Road, Suite 700, Dallas, TX 75230		OMB No. 1545-0145 2010 Form 2439		Notice to Shareholder of Undistributed Long-Term Capital Gains For calendar year 2010, or other tax year of the regulated investment company (RIC) or the real estate investment trust (REIT) beginning <u>01/01</u> , 2010, and ending <u>12/31</u> , 20 <u>10</u>	
Identification number of RIC or REIT 75-1072796		1a Total undistributed long-term capital gains 11,226.36		Copy C For shareholder's records.	
Shareholder's identifying number 36-4120779		1b Unrecaptured section 1250 gain			
Shareholder's name, address, and ZIP code Zuckerman Family Fund 1049 Bluff Road Glencoe, IL 60022-1120		1c Section 1202 gain			
		2 Tax paid by the RIC or REIT on the box 1a gains 3,929.22			

Form **2439**

Department of the Treasury - Internal Revenue Service