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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 , **2010**, and ending , **20**

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

Name of foundation  
**THE KAPNICK FOUNDATION**  
 U/A/S 8/15/04

Number and street (or P O box number if mail is not delivered to street address)  
**P.O. BOX 73**  
**BOWLING GREEN STATION**

City or town, state, and ZIP code  
**NEW YORK, NY 10274-0073**

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 48,703,562.**

J Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_

A Employer identification number  
**36-7434011**

B Telephone number (see page 10 of the instructions)  
**(212) 902-5628**

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

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)		2,011,440.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		1,040.	1,040.	0.	ATCH 1
4 Dividends and interest from securities		659,079.	659,079.	0.	ATCH 2
5 a Gross rents					
b Net rental income or (loss)					
6 a Net gain or (loss) from sale of assets not on line 10		8,942,999.			
b Gross sales price for all assets on line 6a		23,516,696.			
7 Capital gain net income (from Part IV, line 2)			8,942,999.		
8 Net short-term capital gain					
9 Income modifications					
10 a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)		1,446,374.	1,290,861.	0.	ATCH 3
12 Total. Add lines 1 through 11		13,060,932.	10,893,979.	-0.	
13 Compensation of officers, directors, trustees, etc.		0.			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16 a Legal fees (attach schedule) ATCH 4		3,250.	0.	0.	3,250.
b Accounting fees (attach schedule) ATCH 5		26,150.	4,750.	0.	21,400.
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see page 14 of the instructions)					
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) ATCH 6		188,810.	184,256.	0.	15.
24 Total operating and administrative expenses. Add lines 13 through 23		218,210.	189,006.	0.	24,665.
25 Contributions, gifts, grants paid		4,205,576.			4,205,576.
26 Total expenses and disbursements Add lines 24 and 25		4,423,786.	189,006.	0.	4,230,241.
27 Subtract line 26 from line 12		8,637,146.			
a Excess of revenue over expenses and disbursements			10,704,973.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				0.	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing . . . . .	385,050.	308,808.	308,808.
	2 Savings and temporary cash investments . . . . .	0.	3,349,883.	3,349,883.
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable . . . . .			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use . . . . .			
	9 Prepaid expenses and deferred charges . . . . .			
	10 a Investments - U S and state government obligations (attach schedule) . . . . .			
	b Investments - corporate stock (attach schedule) . . . . .			
	c Investments - corporate bonds (attach schedule) . . . . .			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule) . . . . . <b>ATCH 7</b>	31,767,892.	35,259,052.	45,044,871.
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶) . . . . .				
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	32,152,942.	38,917,743.	48,703,562.	
Liabilities	17 Accounts payable and accrued expenses . . . . .			
	18 Grants payable . . . . .			
	19 Deferred revenue . . . . .			
	20 Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	21 Mortgages and other notes payable (attach schedule) . . . . .			
	22 Other liabilities (describe ▶) . . . . .			
	23 Total liabilities (add lines 17 through 22) . . . . .	0.	0.	
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted . . . . .			
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/></b>			
	27 Capital stock, trust principal, or current funds . . . . .	32,152,942.	38,917,743.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . . . . .	0.	0.	
30 Total net assets or fund balances (see page 17 of the instructions) . . . . .	32,152,942.	38,917,743.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	32,152,942.	38,917,743.		

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	32,152,942.
2 Enter amount from Part I, line 27a . . . . .	2	8,637,146.
3 Other increases not included in line 2 (itemize) ▶ ATTACHMENT 8 . . . . .	3	1.
4 Add lines 1, 2, and 3 . . . . .	4	40,790,089.
5 Decreases not included in line 2 (itemize) ▶ ATTACHMENT 9 . . . . .	5	1,872,346.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	38,917,743.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a SEE PART IV SCHEDULE				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(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				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	8,942,999.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8.			}	3

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	2,338,885.	36,222,488.	0.064570
2008	3,296,229.	44,882,587.	0.073441
2007	1,414,830.	36,222,828.	0.039059
2006	634,573.	26,305,345.	0.024123
2005	622,617.	23,098,898.	0.026954
2 Total of line 1, column (d)			2 0.228147
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.045629
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 46,052,557.
5 Multiply line 4 by line 3			5 2,101,332.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 107,050.
7 Add lines 5 and 6			7 2,208,382.
8 Enter qualifying distributions from Part XII, line 4. If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18			8 4,230,241.

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . . Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		
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	107,050.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .	2	
3	Add lines 1 and 2 . . . . .	3	107,050.
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	107,050.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 . . . . .	6 a	8,744.
b	Exempt foreign organizations-tax withheld at source . . . . .	6 b	0.
c	Tax paid with application for extension of time to file (Form 8868) . . . . .	6 c	180,000.
d	Backup withholding erroneously withheld . . . . .	6 d	
7	Total credits and payments Add lines 6a through 6d . . . . .	7	188,744.
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached . . . . .	8	552.
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	81,142.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 81,142. Refunded <input type="checkbox"/> <b>11</b>		

**Part VII-A Statements Regarding Activities**

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

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . . 11 X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . . 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . 13 X
Website address N/A
14 The books are in care of BCRS ASSOCIATES, LLC Telephone no 212-440-0800
Located at 77 WATER STREET - 9TH FLOOR NEW YORK, NY ZIP + 4 10005
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . 15
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 Yes No 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.

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)? . . . . . 1b N/A
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 N/A
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 X 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 page 22 of the instructions) . . . . . 2b N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . Yes X 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) . . . . . 3b N/A
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)**

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  Yes  No 5 b 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?  Yes  No N/A

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No 6 b X

If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No 7 b N/A

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

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

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		0.	0.	0.

Total number of other employees paid over \$50,000

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

<b>3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."</b>		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE	NONE	0.
-----		
-----		
-----		
-----		
-----		
<b>Total number of others receiving over \$50,000 for professional services</b>		NONE

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 PLEASE NOTE, THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS EXEMPT UNDER INTERNAL REVENUE CODE SECTION 501(C)(3).	0.
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	0.
2 N/A	0.
All other program-related investments See page 24 of the instructions	
3 N/A	0.
<b>Total. Add lines 1 through 3</b>	0.

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	7,968,479.
b	Average of monthly cash balances	1b	2,325,871.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	36,459,515.
d	<b>Total</b> (add lines 1a, b, and c)	1d	46,753,865.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	46,753,865.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	701,308.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	46,052,557.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	2,302,628.

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part)

1	Minimum investment return from Part X, line 6	1	2,302,628.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	107,050.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	107,050.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,195,578.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,195,578.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,195,578.

**Part XII Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	4,230,241.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	4,230,241.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	107,050.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	4,123,191.

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

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7 . . . . .				2,195,578.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only . . . . .			0.	
b Total for prior years 20____, 20____, 20____ . . . . .		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005 . . . . .	178,853.			
b From 2006 . . . . .	0.			
c From 2007 . . . . .	0.			
d From 2008 . . . . .	1,113,642.			
e From 2009 . . . . .	580,273.			
f Total of lines 3a through e . . . . .	1,872,768.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 4,230,241.				
a Applied to 2009, but not more than line 2a . . . . .			0.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . . .				
d Applied to 2010 distributable amount . . . . .				2,195,578.
e Remaining amount distributed out of corpus . . . . .	2,034,663.			
5 Excess distributions carryover applied to 2010 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	3,907,431.			
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 . . . . .				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .			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) (see page 27 of the instructions) . . . . .	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	178,853.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	3,728,578.			
10 Analysis of line 9				
a Excess from 2006 . . . . .	0.			
b Excess from 2007 . . . . .	0.			
c Excess from 2008 . . . . .	1,113,642.			
d Excess from 2009 . . . . .	580,273.			
e Excess from 2010 . . . . .	2,034,663.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)(ii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

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

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

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

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

c Any submission deadlines

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

**Part XV Supplementary Information (continued)**

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE STATEMENT ATTACHED				4,205,576.
<b>Total</b> ..... ▶ 3a				4,205,576.
b <i>Approved for future payment</i> NONE				0.
<b>Total</b> ..... ▶ 3b				0.



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

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A' for (b) and (d).

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 [X]

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A' for (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. Signature of officer or trustee: Scott B. Kaplan, Date: 11/11/11, Title: TRUSTEE

Paid Preparer Use Only Print/Type preparer's name: WILLIAM RABETZ, Preparer's signature: [Signature], Date: 11/14/11, Check [ ] if self-employed, PTIN: P00963994, Firm's name: BCRS ASSOCIATES, LLC, Firm's address: 77 WATER STREET, 9TH FLOOR, NEW YORK, NY 10005, Firm's EIN: 13-4078147, Phone no: 212-440-0800

**Schedule of Contributors**

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

**2010**

<b>Name of the organization</b> THE KAPNICK FOUNDATION U/A/S 8/15/04	<b>Employer identification number</b> 36-7434011
--	---

**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).

Name of organization **THE KAPNICK FOUNDATION**  
 U/A/S 8/15/04

Employer identification number  
 36-7434011

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SCOTT B. KAPNICK ----- P.O. BOX 73, BOWLING GREEN STATION ----- NEW YORK, NY 10274-0073 -----	\$ 2,011,440. -----	Person <input checked="" 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 )
-----	-----	\$ ----- -----	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 )
-----	-----	\$ ----- -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )

Name of organization **THE KAPNICK FOUNDATION**  
 U/A/S 8/15/04

Employer identification number  
 36-7434011

**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	12,000 SHS GOLDMAN SACHS GROUP INC	\$ 2,011,440.	12/30/2010

THE KAPNICK FOUNDATION U/A/S 8/15/04

EIN: 36-7434011

SUPPLEMENTARY STATEMENTS

**PART: XV**

**LINE: 2**

**SUPPLEMENTAL INFORMATION**

THE ORGANIZATION'S PRIMARY ACTIVITY IS TO SUPPORT, BY CONTRIBUTIONS, OTHER ORGANIZATIONS QUALIFYING FOR EXEMPTION UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE. THE TRUSTEES CHOOSE THESE ORGANIZATIONS BASED UPON THEIR KNOWLEDGE OF THE ORGANIZATIONS' ACTIVITIES. NO CONTRIBUTIONS, GRANTS, GIFTS, LOANS OR SCHOLARSHIPS ARE MADE TO INDIVIDUALS. THE ORGANIZATION DOES NOT PRESENTLY RECEIVE APPLICATIONS OR CONDUCT PROGRAMS FOR DONATIONS IN ITS ACTIVITIES.

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
INTEREST ON CREDIT BALANCE - GS	6.		0.
INTEREST ON BDA - GS	1,012.	1,012.	0.
INTEREST ON MMA - NORTHERN TRUST	7.		0.
INTEREST ON CREDIT BALANCE - JP MORGAN	15.	15.	0.
TOTAL	<u>1,040.</u>	<u>1,040.</u>	<u>0.</u>

ATTACHMENT 2

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
DIVIDENDS THRU GOLDMAN SACHS	80,770.	80,770.	0.
DIVIDENDS THRU GS CAP PARTNERS K-1	325.	325.	0.
DIVIDENDS THRU CRESTVIEW PARTNERS II LP	38,906.	38,906.	0.
INTEREST THRU CHAYTON SAVA PROPERTY FUND	86,715.	86,715.	0.
INTEREST THRU CRESTVIEW PARTNERS II, LP	110.	110.	0.
INTEREST THRU GOLDENTREE LEV LOAN PTRS	452,253.	452,253.	0.
TOTAL	<u>659,079.</u>	<u>659,079.</u>	<u>0.</u>

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
PFIC INCOME ORDINARY-GSCP 2000 EMP FUND	601,639.	601,639.	0.
PFIC INCOME ORDINARY-GS CAP PTRS V	688,751.	688,751.	0.
ORD INC THRU GS CAP PTRS III K-1	38.	38.	0.
ORD INC THRU CRESTVIEW PTRS II LP - UBTI	91.	0.	0.
ORD INC THRU CHAYTON SAVA PROPERTY FUND	433.	433.	0.
U.S. TREASURY REFUND - 990-PF 12/31/09	154,190.	0.	0.
U.S. TREASURY REFUND - 990-T 12/31/09	1,232.	0.	0.
<b>TOTALS</b>	<b>1,446,374.</b>	<b>1,290,861.</b>	<b>0.</b>

ATTACHMENT 4

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
MCDERMOTT WILL & EMERY	3,250.	0.	0.	3,250.
TOTALS	<u>3,250.</u>	<u>0.</u>	<u>0.</u>	<u>3,250.</u>

ATTACHMENT 5

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
KESSLER ORLEAN SILVER	16,650.	0.	0.	16,650.
BCRS ASSOCIATES, LLC	9,500.	4,750.	0.	4,750.
TOTALS	<u>26,150.</u>	<u>4,750.</u>	<u>0.</u>	<u>21,400.</u>

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INTEREST EXPENSE THRU:				
CHAYTON SAVA PROPERTY FUND	73,519.	73,519.	0.	0.
CRESTVIEW PARTNERS LP K-1	2,019.	2,019.	0.	0.
PORTFOLIO DEDUCTIONS THRU:				
CHAYTON SAVA PROPERTY FUND	66,836.	66,836.	0.	0.
GS CAP PARTNERS III LP K-1	1,814.	1,814.	0.	0.
CRESTVIEW PARTNERS II LP K-1	40,052.	40,052.	0.	0.
CRESTVIEW PTRS II LP - UBTI	3,242.	0.	0.	0.
FOREIGN TAX PAID THRU GSCP III	16.	16.	0.	0.
NON-DED EXP THRU CRESTVIEW PTR	1,297.	0.	0.	0.
ILLINOIS FILING FEE	15.	0.	0.	15.
<b>TOTALS</b>	<b>188,810.</b>	<b>184,256.</b>	<b>0.</b>	<b>15.</b>

ATTACHMENT 7FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE LONG POSITION ATTACHED	2,161,618.	432,349.	6,272,368.
GS CAPITAL PARTNERS III LP	51,450.	246.	39,003.
GS VINTAGE FUND V, LP	1,100,000.	1,758,007.	1,919,391.
GS CAPITAL PARTNERS 2000, LP	472,814.	472,814.	660,828.
GS CAPITAL PARTNERS V LP	2,371,512.	1,011,533.	4,175,630.
GS MEZZANINE PARTNERS 2006 LP	2,739,468.	2,739,468.	2,465,350.
GS MEZZANINE PARTNERS III LP	1,088,808.	1,088,808.	399,100.
GOLDENTREE LEVERAGE LOAN PTRS	5,000,000.	5,000,000.	5,689,965.
CRESTVIEW PARTNERS II LP	489,345.	1,573,671.	1,771,996.
CHAYTON SAVA PROPERTY FUND	1,361,137.	1,429,984.	793,560.
HIGHBRIDGE PRINCIPAL			
STRATEGIES INSTL MEZZ PTRS	1,042,868.	3,960,483.	4,670,867.
GS WEST STREET PARTNERS III	2,000,000.	1,211,763.	1,101,367.
HIGHBRIDGE LEVERAGED LOAN PTNS OFFSHORE (FULLY DISPOSED)	11,888,872.	0.	0.
HIGHBRIDGE PRINCIPAL STRAT			
IRISH SENIOR LOAN FUND II	0.	3,439,078.	3,439,078.
HIGHBRIDGE LEVERAGED LOAN PTRS 2010 MASTER FUND LP	0.	10,140,848.	10,610,528.
SOROBAN CAYMAN FUND LTD	0.	1,000,000.	1,035,840.
<b>TOTALS</b>	<u>31,767,892.</u>	<u>35,259,052.</u>	<u>45,044,871.</u>

ATTACHMENT 8

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
ROUNDING	1.
TOTAL	<u>1.</u>

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
EXCESS OF FMV OVER DONOR'S COST BASIS OF SECURITIES DONATED TO THE FOUNDATION	1,872,346.
TOTAL	<u>1,872,346.</u>

THE KAPNICK FOUNDATION

36-7434011

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

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
RICHARD B. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TRUSTEE	0.	0.	0.
KATHLEEN G. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TRUSTEE	0.	0.	0.
SCOTT B. KAPNICK P.O. BOX 73 BOWLING GREEN STATION NEW YORK, NY 10274-0073	TREASURER	0.	0.	0.
GRAND TOTALS		0.	0.	0.

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

SCOTT B. KAPNICK; P.O. BOX 73, BOWLING GREEN STATION  
NEW YORK, NY 10274-0073

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 12

<u>DESCRIPTION</u>	<u>BUSINESS CODE</u>	<u>AMOUNT</u>	<u>EXCLUSION CODE</u>	<u>AMOUNT</u>	<u>RELATED OR EXEMPT FUNCTION INCOME</u>
PFIC INCOME ORDINARY-GSCP 2000 EMPLOYEE FUND			01	601,639.	
PFIC INCOME ORDINARY-GS CAP PTRRS V			01	688,751.	
ORDINARY INC THRU GS CAP PTRRS III K-1			01	38.	
ORDINARY INC THRU CRESTVIEW PTRS II LP	110000	91.			
ORDINARY INC THRU CHAYTON SAVA PROPERTY FUND			01	433.	
U.S. TREASURY REFUND - 990-PF 12/31/09					154,190.
U.S. TREASURY REFUND - 990-T 12/31/09					1,232.
<b>TOTALS</b>		<u>91.</u>		<u>1,290,861.</u>	<u>155,422.</u>

**SCHEDULE D  
(Form 1041)**

**Capital Gains and Losses**

OMB No 1545-0092

**2010**

Department of the Treasury  
Internal Revenue Service

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

Name of estate or trust **THE KAPNICK FOUNDATION**  
U/A/S 8/15/04

Employer identification number  
**36-7434011**

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

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

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

<b>b</b> Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	<b>1b</b>	
<b>2</b> Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	<b>2</b>	
<b>3</b> Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>3</b>	
<b>4</b> Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet . . . . .	<b>4</b>	( )
<b>5</b> <b>Net short-term gain or (loss).</b> Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back . . . . . ▶	<b>5</b>	

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

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

<b>b</b> Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	<b>6b</b>	8,942,999.
<b>7</b> Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	<b>7</b>	
<b>8</b> Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>8</b>	
<b>9</b> Capital gain distributions . . . . .	<b>9</b>	
<b>10</b> Gain from Form 4797, Part I . . . . .	<b>10</b>	
<b>11</b> Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet . . . . .	<b>11</b>	( )
<b>12</b> <b>Net long-term gain or (loss).</b> Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back . . . . . ▶	<b>12</b>	8,942,999.

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

Schedule D (Form 1041) 2010

<b>Part III Summary of Parts I and II</b>		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
<b>Caution: Read the instructions before completing this part.</b>				
<b>13</b>	<b>Net short-term gain or (loss)</b> . . . . .	<b>13</b>		
<b>14</b>	<b>Net long-term gain or (loss):</b>			
a	Total for year . . . . .	<b>14a</b>		8,942,999.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht) . . . . .	<b>14b</b>		
c	28% rate gain . . . . .	<b>14c</b>		
<b>15</b>	<b>Total net gain or (loss).</b> Combine lines 13 and 14a . . . . . ▶	<b>15</b>		8,942,999.

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

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

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

**Part V Tax Computation Using Maximum Capital Gains Rates**  
**Form 1041 filers.** Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero  
**Caution:** Skip this part and complete the worksheet on page 8 of the instructions if  
 • Either line 14b, col (2) or line 14c, col (2) is more than zero, or  
 • Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero  
**Form 990-T trusts.** Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

<b>17</b>	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	<b>17</b>		
<b>18</b>	Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>		
<b>19</b>	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>19</b>		
<b>20</b>	Add lines 18 and 19 . . . . .	<b>20</b>		
<b>21</b>	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- . . . ▶	<b>21</b>		
<b>22</b>	Subtract line 21 from line 20 If zero or less, enter -0- . . . . .	<b>22</b>		
<b>23</b>	Subtract line 22 from line 17 If zero or less, enter -0- . . . . .	<b>23</b>		
<b>24</b>	Enter the smaller of the amount on line 17 or \$2,300 . . . . .	<b>24</b>		
<b>25</b>	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23 . . . . .	<b>25</b>		
<b>26</b>	Subtract line 25 from line 24 . . . . .	<b>26</b>		
<b>27</b>	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22 . . . . .	<b>27</b>		
<b>28</b>	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>28</b>		
<b>29</b>	Subtract line 28 from line 27 . . . . .	<b>29</b>		
<b>30</b>	Multiply line 29 by 15% ( 15) . . . . .			<b>30</b>
<b>31</b>	Figure the tax on the amount on line 23 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .			<b>31</b>
<b>32</b>	Add lines 30 and 31 . . . . .			<b>32</b>
<b>33</b>	Figure the tax on the amount on line 17 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .			<b>33</b>
<b>34</b>	<b>Tax on all taxable income.</b> Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) . . . . .			<b>34</b>



THE KAPNICK FOUNDATION  
CHARITABLE CONTRIBUTIONS  
FYE 12/31/2010  
EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
1/26/2010	NORTHWESTERN UNIVERSITY EVANSTON, IL	\$500,000.00
3/25/2010	SEACHANGE CAPITAL PARTNERS NEW YORK, NY	52,000.00
3/26/2010	FABRETTO CHILDREN'S FOUNDATION ARLINGTON, VA	25,000.00
4/16/2010	ROBIN HOOD FOUNDATION NEW YORK, NY	48,000.00
5/17/2010	HARLEM RBI NEW YORK, NY	25,000.00
6/10/2010	CHICAGO SYMPHONY ORCHESTRA CHICAGO, IL	50,000.00
6/22/2010	STANFORD INSTITUTE FOR ECONOMIC POLICY RESEARCH STANFORD, CA	65,000.00
6/16/2010	THE METROPOLITAN OPERA NEW YORK, NY	94,900.00
7/27/2010	THE METROPOLITAN OPERA NEW YORK, NY	150,000.00
7/27/2010	THE METROPOLITAN OPERA NEW YORK, NY	200,000.00
7/28/2010	THE BREARLEY SCHOOL NEW YORK, NY	350,000.00
10/27/2010	YOUTH INC NEW YORK, NY	5,000.00
11/4/2010	TRUSTEES OF THE COLUMBIA UNIVERSITY NEW YORK, NY	5,000.00

THE KAPNICK FOUNDATION  
 CHARITABLE CONTRIBUTIONS  
 FYE 12/31/2010  
 EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
11/9/2010	NAPLES BOTANICAL GARDEN NAPLES, FL	4,800.00
11/12/2010	NAPLES BOTANICAL GARDEN NAPLES, FL	4,800.00
11/15/2010	BIRCH WATHEN LENOX SCHOOL NEW YORK, NY	20,000.00
12/9/2010	DUKE UNIVERSITY DURHAM, NC	40,000.00
12/20/2010	COLLEGE SUMMIT NYC NEW YORK, NY	166,000.00
12/20/2010	COLLEGE SUMMIT WASHINGTON, DC	400,000.00
12/20/2010	ROOM TO READ SAN FRANCISCO, CA	400,000.00
12/20/2010	NAPLES BOTANICAL GARDEN NAPLES, FL	500,000.00
12/20/2010	PRESIDENT & TRUSTEES OF WILLIAMS COLLEGE WILLIAMSTOWN, MA	750,000.00
12/21/2010	CONSTITUTIONAL RIGHTS FOUNDATION LOS ANGELES, CA	25,000.00
12/22/2010	PRODIGAL SONS AND DAUGHTERS TURLOCK, CA	25,000.00
12/22/2010	JOHN FITZGERALD KENNEDY LIBRARY FOUNDATION BOSTON, MA	250,000.00
12/27/2010	CHICAGO YOUTH CENTERS CHICAGO, IL	50,000.00

THE KAPNICK FOUNDATION  
CHARITABLE CONTRIBUTIONS  
FYE 12/31/2010  
EIN: 36-7434011

DATE	CONTRIBUTION/CITY, STATE	AMOUNT
	THRU CRESTVIEW PARTNERS II, LP	76.00
	TOTAL CONTRIBUTIONS PAID *	<u>\$4,205,576.00</u>

*\* ALL CONTRIBUTIONS WERE MADE TO THE GENERAL PURPOSE  
FUND OF PUBLIC CHARITABLE ORGANIZATIONS THAT WERE  
CLASSIFIED UNDER SECTION 501 (c) (3) OF THE INTERNAL  
REVENUE CODE*

THE KAPNICK FOUNDATION  
 REALIZED GAINS AND LOSSES  
 FYE 12/31/2010

DESCRIPTION	DATE PURCH	DATE SOLD	QTY	SALES PROCEEDS	COST BASIS	REALIZED GAIN/LOSS	GAIN/LOSS TYPE
JOHNSON & JOHNSON CMN	12/31/2003	4/1/2010	2,000	130,917.78	103,320.00	27,597.78	Long-Term
JOHNSON & JOHNSON CMN	12/31/2003	4/9/2010	2,000	129,457.81	103,320.00	26,137.81	Long-Term
JOHNSON & JOHNSON CMN	12/31/2003	6/7/2010	3,000	174,507.04	154,980.00	19,527.04	Long-Term
JOHNSON & JOHNSON CMN	12/31/2003	7/22/2010	3,000	171,274.00	154,980.00	16,294.00	Long-Term
MICROSOFT CORPORATION CMN	12/31/2003	7/23/2010	20,000	505,787.43	547,400.00	(41,612.57)	Long-Term
THE GOLDMAN SACHS GROUP, INC. CMN	11/26/1994	7/23/2010	11,000	1,613,254.72	127,502.47	1,485,752.25	Long-Term
THE GOLDMAN SACHS GROUP, INC. CMN	11/26/1994	8/2/2010	2,500	382,004.29	28,977.83	353,026.46	Long-Term
THE GOLDMAN SACHS GROUP, INC. CMN	11/26/1994	9/17/2010	2,200	332,237.28	25,500.49	306,736.79	Long-Term
BANK OF AMERICA CORP CMN	12/31/2003	9/17/2010	10,000	133,479.73	402,150.00	(268,670.27)	Long-Term
THE GOLDMAN SACHS GROUP, INC. CMN	11/26/1994	10/27/2010	7,300	1,154,340.43	84,615.27	1,069,725.16	Long-Term
THE GOLDMAN SACHS GROUP, INC. CMN	11/26/1994	10/27/2010	11,700	1,850,107.27	135,616.26	1,714,491.01	Long-Term
<b>TOTAL LONG-TERM</b>				<b>6,577,367.78</b>	<b>1,868,362.32</b>	<b>4,709,005.46</b>	

REALIZED G/L-I

1/1

THE KAPNICK FOUNDATION  
 REALIZED GAINS AND LOSSES  
 FYE 12/31/2010

DESCRIPTION	DATE PURCH	DATE SOLD	QTY	SALES PROCEEDS	COST BASIS	REALIZED GAIN/LOSS	GAIN/LOSS TYPE
GS WEST STREET PARTNERS II EMPLOYEE FUND 2006, LTD	VARIOUS	1/1/2010	3,519 9987	361,704 86	439,999 86	(78,295 00)	Long-Term
GS WEST STREET PARTNERS II EMPLOYEE FUND 2006, LTD	VARIOUS	4/1/2010	1,245 9352	131,659 97	155,741 91	(24,081 94)	Long-Term
GS WEST STREET PARTNERS II EMPLOYEE FUND 2006, LTD	VARIOUS	7/1/2010	794 4702	82,597 25	99,308 78	(16,711 53)	Long-Term
GS WEST STREET PARTNERS II EMPLOYEE FUND 2006, LTD	VARIOUS	10/1/2010	745 4911	81,670 04	93,186 39	(11,516 35)	Long-Term
<b>TOTAL LONG-TERM</b>				<b>657,632.12</b>	<b>788,236.94</b>	<b>(130,604.82)</b>	

REALIZED G/L II

1/1



Statement Detail  
**KAPNICK FDN TRUST**  
 Holdings

Period Ended December 31, 2010

The alternative investment(s) described below may not be owned by the account holder(s) for this brokerage account. Instead, the investments may be owned by one of the account holders or a related party to the account holder(s)

**PUBLIC EQUITY**

US EQUITY	Quantity	Market Price	Market Value / Accrued Income	Unit Cost	Cost Basis	Unrealized Gain (Loss)	Dividend Yield	Estimated Annual Income
US STOCKS								
GOLDMAN SACHS GROUP, INC (THE) CMN (GS)	37,300.00	168.1600	6,272,368.00	27.9443	432,349.24	504,018.76	0.8325	52,220.00

LONG POSITION

1/1

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
6,577,367.		SEE REALIZED G(L) STMT I ATTACHED PROPERTY TYPE: SECURITIES 1,868,362.				P	VAR 4,709,005.	VAR
657,632.		SEE REALIZED G(L) STMT II ATTACHED 788,237.					VAR -130,605.	VAR
16281697.		GAIN ON DISP HIGHBRIDGE LEV LOAN PTRS 11888872.					4,392,825.	
		LTCL THRU GS CAP PTRS III 28,226.					-28,226.	
TOTAL GAIN (LOSS) .....							<u>8,942,999.</u>	

## Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns*

<b>Type or print</b>	Name of exempt organization <b>KAPNICK FOUNDATION</b>	Employer identification number <b>36-7434011</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions <b>c/o GOLDMAN SACHS &amp; CO; P.O. BOX 73</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>NEW YORK, NY 10274-0073</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ **BCRS ASSOCIATES, LLC**

Telephone No ▶ **212-440-0811** FAX No ▶ **N/A**

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶  calendar year 20 10 or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

**2** If the tax year entered in line 1 is for less than 12 months, check reason  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	188,744.00
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	8,744.00
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	180,000.00

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing your return See instructions	Name of exempt organization <b>KAPNICK FOUNDATION</b>	Employer identification number <b>36-7434011</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>c/o GOLDMAN SACHS &amp; CO; P.O. BOX 73</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>NEW YORK, NY 10274-0073</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

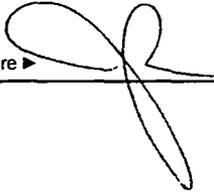
- The books are in the care of **BCRS ASSOCIATES, LLC**  
Telephone No. **212-440-0811** FAX No. **N/A**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **NOVEMBER 15**, 20 **11**.
- 5 For calendar year **2010**, or other tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.
- 6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period
- 7 State in detail why you need the extension **ALL INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN IS NOT YET AVAILABLE.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$ <b>188,744.00</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$ <b>188,744.00</b>
<b>c</b> <b>Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$ <b>0.00</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title **CPA** Date **08/15/2011**