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Form 990-PF

Return of Private Foundation

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

2010

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 10-01-2010, and ending 09-30-2011

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

WALTER KANN FOUNDATION INC

Number and street (or P O box number if mail is not delivered to street address)
C/O BERDON LLP 360 MADISON AVENUE

Room/suite

City or town, state, and ZIP code
NEW YORK, NY 10017H Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 484,684**

J Accounting method

 Cash Accrual Other (specify)
(Part I, column (d) must be on cash basis.)

A Employer identification number

13-3381799

B Telephone number (see page 10 of the instructions)

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)	2,829		
2	Check <input type="checkbox"/> <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B			
3	Interest on savings and temporary cash investments			
4	Dividends and interest from securities.	15,716	15,716	
5a	Gross rents			
b	Net rental income or (loss) _____			
6a	Net gain or (loss) from sale of assets not on line 10	540		
b	Gross sales price for all assets on line 6a <u>140,968</u>			
7	Capital gain net income (from Part IV, line 2) . . .		540	
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) (attach schedule)			
11	Other income (attach schedule)			
12	Total. Add lines 1 through 11	19,085	16,256	

13	Compensation of officers, directors, trustees, etc			
14	Other employee salaries and wages			
15	Pension plans, employee benefits			
16a	Legal fees (attach schedule)			
b	Accounting fees (attach schedule)	2,295	2,295	0
c	Other professional fees (attach schedule)			0
17	Interest			
18	Taxes (attach schedule) (see page 14 of the instructions)	727	293	
19	Depreciation (attach schedule) and depletion . . .			
20	Occupancy			
21	Travel, conferences, and meetings			
22	Printing and publications			
23	Other expenses (attach schedule)	5,599	5,499	
24	Total operating and administrative expenses.			
	Add lines 13 through 23	8,621	8,087	0
25	Contributions, gifts, grants paid	28,000		28,000
26	Total expenses and disbursements. Add lines 24 and 25	36,621	8,087	0
27	Subtract line 26 from line 12			

a **Excess of revenue over expenses and disbursements**
b **Net investment income** (if negative, enter -0-)
c **Adjusted net income** (if negative, enter -0-)

-17,536

8,169

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
1	Cash—non-interest-bearing	20,740	3,256	3,256
2	Savings and temporary cash investments			
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			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	294,124	286,287	396,511
c	Investments—corporate bonds (attach schedule)	79,748	87,533	84,917
11	Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
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)	394,612	377,076	484,684
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	
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	394,612	377,076	
30	Total net assets or fund balances (see page 17 of the instructions)	394,612	377,076	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	394,612	377,076	

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	394,612
2	Enter amount from Part I, line 27a	2	-17,536
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	377,076
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	377,076

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.)
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1 a	SEE ATTACHED STATEMENT A	P		
b	SEE ATTACHED STATEMENT A	P		
c	SEE ATTACHED STATEMENT A	P		
d	SEE ATTACHED STATEMENT A	P		
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 27,401		28,749	-1,348
b 36,671		43,244	-6,573
c 51,570		49,033	2,537
d 25,326		19,402	5,924
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			-1,348
b			-6,573
c			2,537
d			5,924
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		2 540
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	25,500	458,850	0 055574
2008	27,000	397,882	0 067859
2007	81,500	530,129	0 153736
2006	54,712	595,144	0 091931
2005	41,195	567,602	0 072577

2 Total of line 1, column (d).	2 0 441677
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 088335
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4 522,779
5 Multiply line 4 by line 3.	5 46,180
6 Enter 1% of net investment income (1% of Part I, line 27b).	6 82
7 Add lines 5 and 6.	7 46,262
8 Enter qualifying distributions from Part XII, line 4.	8 28,000

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1	1	163
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 type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	163
3	Add lines 1 and 2.		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments	6a 6b 6c 6d	163
a	2010 estimated tax payments and 2009 overpayment credited to 2010		
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d.	7	163
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached <input checked="" type="checkbox"/>		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed <input type="checkbox"/>		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid <input type="checkbox"/>		
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	163

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? <input checked="" type="checkbox"/>	1a	No
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)?	1b	No
<i>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.</i>			
c	Did the foundation file Form 1120-POL for this year?	1c	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2	No
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? <i>If "Yes," attach a conformed copy of the changes</i> <input checked="" type="checkbox"/>	3	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i> <input checked="" type="checkbox"/>	5	No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> NY		
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation.</i>	8b	Yes
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)? <i>If "Yes," complete Part XIV</i>	9	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		No
Website address ► N/A				
14	The books are in care of ► BERDON LLP	Telephone no ► (212) 832-0400		
	Located at ► 360 MADISON AVE New York NY	ZIP + 4 ► 10017		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here ►	15		
	and enter the amount of tax-exempt interest received or accrued during the year ►			
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		
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ►			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ► Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ► Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ► Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ► 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)? ► 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). ► Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b	
	Organizations relying on a current notice regarding disaster assistance check here. ►		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	No
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 <input checked="" type="checkbox"/> No		
	If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	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 ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ► 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).	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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	No

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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here.	<input checked="" type="checkbox"/>	5b	
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	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.				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7b	No
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?			

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
MICHAEL A KANN 60 Bayberry Lane Westport, CT 06880	DIRECTOR as req'd 0	0		
JACQUELINE KANN 1519 Beacon Street Brookline, MA 02446	DIRECTOR as req'd 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
Total number of other employees paid over \$50,000.				<input checked="" type="checkbox"/>

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE"

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.

1	
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.

1	
2	
All other program-related investments See page 24 of the instructions	
3	
Total Add lines 1 through 3	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes	
a	Average monthly fair market value of securities.	1a 511,763
b	Average of monthly cash balances.	1b 18,977
c	Fair market value of all other assets (see page 24 of the instructions).	1c 0
d	Total (add lines 1a, b, and c).	1d 530,740
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.	3 530,740
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4 7,961
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 522,779
6	Minimum investment return. Enter 5% of line 5.	6 26,139

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 26,139
2a	Tax on investment income for 2010 from Part VI, line 5.	2a 163
b	Income tax for 2010 (This does not include the tax from Part VI).	2b
c	Add lines 2a and 2b.	2c 163
3	Distributable amount before adjustments Subtract line 2c from line 1.	3 25,976
4	Recoveries of amounts treated as qualifying distributions.	4
5	Add lines 3 and 4.	5 25,976
6	Deduction from distributable amount (see page 25 of the instructions).	6
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7 25,976

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 28,000
b	Program-related investments—total from Part IX-B.	1b 0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2 0
3	Amounts set aside for specific charitable projects that satisfy the	
a	Suitability test (prior IRS approval required).	3a 0
b	Cash distribution test (attach the required schedule).	3b 0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4 28,000
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
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6 28,000

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				25,976
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.				
b Total for prior years 2008, 2007, 2006				
3 Excess distributions carryover, if any, to 2010				
a From 2005.	13,989			
b From 2006.	25,878			
c From 2007.	55,326			
d From 2008.	7,225			
e From 2009.	2,991			
f Total of lines 3a through e.	105,409			
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 28,000				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).				
d Applied to 2010 distributable amount.				25,976
e Remaining amount distributed out of corpus	2,024			
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:	107,433			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions.				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions.				
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).				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).	13,989			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.	93,444			
10 Analysis of line 9				
a Excess from 2006.	25,878			
b Excess from 2007.	55,326			
c Excess from 2008.	7,225			
d Excess from 2009.	2,991			
e Excess from 2010.	2,024			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a	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. <input type="text"/>			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	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 organization had \$5,000 or more in assets at any time during the year—see page 27 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))

MICHAEL KANN

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			► 3a	28,000
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income	Excluded by section 512, 513, or 514	(e) Related or exempt function income (See page 28 of the instructions)	
		(a) Business code	(b) Amount		(c) Exclusion code
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.				14	15,716
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory				18	540
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory.					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e).					16,256
13 Total. Add line 12, columns (b), (d), and (e).				13	16,256
(See worksheet in line 13 instructions on page 28 to verify calculations)					

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

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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization or

(1) Cash.

(2) Other assets.

Other transactions

(1) Sales of assets to a noncharitable exempt organization. . .

(2) Purchases of assets from a noncharitable exempt

(3) Rental of facilities, equipment,

(4) Reimbursement arrangements

(8) 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. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

	Yes	No
1a(1)		No
1a(2)		No
1b(1)		No
1b(2)		No
1b(3)		No
1b(4)		No
1b(5)		No
1b(6)		No
1c		No

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations?

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship	
<p>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.</p>			
<p>***** Signature of officer or trustee</p>	<p>2012-04-27 Date</p>	<p>***** Title</p>	
<p>Sign Here Part Preparer's Use Only</p>	<p>Preparer's Signature</p>	<p>Date</p>	<p>PTIN</p>
	<p>JUDE COARD</p>	<p><input type="checkbox"/> Check if self-employed</p>	
	<p>Berdon LLP</p>	<p><input type="checkbox"/> Firm's EIN</p>	
	<p>360 Madison Ave</p>	<p><input type="checkbox"/> Phone no (212) 832-0400</p>	
<p>New York, NY 10017</p>			

Additional Data

Software ID:

Software Version:

EIN: 13-3381799

Name: WALTER KANN FOUNDATION INC

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
Hebrew Tabernacle Congregation 551 Ft Washington Avenue New York, NY 10033	none	501(3)	general purpose	3,000
Cystic Fibrosis Foundation 6931 Arlington Road Bethesda, MD 20814	none	501 C(3)	general purpose	5,000
Middlebury College old chapel Middlebury, VT 05753	none	501 C(3)	general purpose	1,000
Kingsborough Community College 2001 Oriental Boulevard Brooklyn, NY 11235	none	501 C(3)	General Purpose	10,000
Fraxa Research Foundation 45 Pleasant St Newburyport, MA 01950	none	501 C(3)	General Purpose	3,500
Caroline House 574 Stillman Street Bridgeport, CT 06608	none	501 C(3)	General Purpose	500
The Hospice Foundation of America 171 Rhode Island Ave NW Washington, DC 20036	none	501 C(3)	General Purpose	5,000
Total			► 3a	28,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2010 Depreciation Schedule

Name: WALTER KANN FOUNDATION INC

EIN: 13-3381799

TY 2010 Investments Corporate Bonds Schedule

Name: WALTER KANN FOUNDATION INC
EIN: 13-3381799

TY 2010 Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
HANESBRANDS INC SR NT 4.5925%	21,500	24,438
SIMON PPTY GROUP LP 10.35%	0	0
STARWOOD HOTELS& RESORT 7.875%	0	0
ANADARKO PETE CORP SR NT 5.95%	0	0
EXCO RES INC SR NT 7.500%	0	0
NRG ENERGY INC SR NT 7.375%	0	0
OVERSEAS SHIPHOLDING GROUP INC	9,800	8,300
CAMERON INTL CORP	10,000	10,045
COMMONWEALTH OF AUSTRALIA	10,628	9,948
INTL BANK RECON & DEVELOP EURO	15,800	13,918
JONES GROUP INC	9,730	9,050
VULCAN MATERIAL SR	10,075	9,218

**TY 2010 Investments Corporate
Stock Schedule****Name:** WALTER KANN FOUNDATION INC**EIN:** 13-3381799

Name of Stock	End of Year Book Value	End of Year Fair Market Value
HSBC HOLDINGS PLC	0	0
VORNADO REALTY TRUST	7,131	15,819
CHEVRON CORPORATION	13,213	18,518
PLUM CREEK TIMBER CO INC.	18,117	17,355
DIAGEO PLC-SPONSORED ADR	14,525	22,779
EXXON MOBILE CORP	7,624	14,526
VARIAN MEDICAL SYSTEMS INC	19,919	20,864
PROCTER & GAMBLE CO	13,057	24,451
PEPSICO INC	14,732	24,760
ACCENTURE LTD CL A	9,957	15,804
BERKSHIRE HATHAWAY INC CL B	0	0
COACH INC	15,277	25,915
LOEWS CORP	17,785	17,275
MCDONALDS CORP	16,222	26,346
OCCIDENTAL PETE CORP	13,857	14,300
HEINEKEN N V ADR	5,400	6,750
INTERNATIONAL BUSINESS MACHINE	9,207	17,487
NESTLE SA-SPONSORED ADR REPSTG	10,260	16,547
PHILIP MORRIS INTERNATIONAL	11,604	18,714
CENOVUS ENERGY INC	9,323	12,284
DARLING INTERNATIONAL INC	7,055	12,590
HOLLYFRONTIER CORP	7,871	15,732
SYSCO CORP	8,737	7,770
LENNAR CORP	12,457	10,220
UNIFI INC NEW	11,135	8,170
CBL & ASSOCIATES PPTYS INC	11,822	11,535

TY 2010 Land, Etc. Schedule**Name:** WALTER KANN FOUNDATION INC**EIN:** 13-3381799

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
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TY 2010 Other Expenses Schedule

Name: WALTER KANN FOUNDATION INC**EIN:** 13-3381799

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEE	5,499	5,499		
NYS FILING FEE	100			

TY 2010 Taxes Schedule

Name: WALTER KANN FOUNDATION INC**EIN:** 13-3381799

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX	293	293		
FEDERAL TAX	434			

Capital Gains

WALTER KANN FOUNDATION INC
60 BAYBERRY LANE
WESTPORT CT 06880-4029

EQUITIES

Purchase Date	Close Date	No. of Shares	Orig Face	Symbol	Description	Unit Cost	Sale Price	Total Cost	Net Amount	Ind	ST Gain/Loss	LT Gain/Loss	Book Cost	Disc Inc.	Curr Gain/Loss
10/28/2010	11/08/2010	500 00	0 00	GAGA	***LE GAGA HLDGS LTD SPONSORED ADR	9 500	9 549	4,750 00	4,774 21	ST	24 21	0 00	4,750 00	0 00	0 00
11/10/2010	11/10/2010	400 00	0 00	NOAH	***NOAH HLDGS LTD SPONSORED ADS	12 000	14 713	4,800 00	5,885 30	ST	1,085 30	0 00	4,800 00	0 00	0 00
03/09/2011	03/28/2011	100 00	0 00	HCA	HCA HOLDINGS INC	30 000	32 876	3,000 00	3,287 57	ST	287 57	0 00	3,000 00	0 00	0 00
09/27/2010	05/23/2011	200 00	0 00	CCSC	COUNTRY STYLE COOKING RESTAURANT CHAIN CO LTD SPON ADR	16 500	12 158	3,300 00	2,431 49	ST	-868 51	0 00	3,300 00	0 00	0 00

11/10/2010	05/23/2011	100 00	0 00	CCSC	COUNTRY STYLE COOKING RESTAURANT CHAIN CO LTD SPON ADR	28 990	12 158	2,698 98	1,215 75	ST	-1,683 23	0 00	2,898 98	0 00	0 00
10/07/2010	08/19/2011	400 00	0 00	DFTPRA	DUPONT FABROS TECHNOLOGY INC 7 875% SER A CUMULATIVE REDEEMABLE PERPETUAL PFD STK	25 000	24 518	10,000 00	9 807 05	ST	-192 95	0 00	10,000 00	0 00	0 00
ST - TERM		1 700 00						28,748 98	27,401 37	ST	-1,347 61	0 00	28,748 98	0 00	0 00
TOTAL															
04/10/2008	01/20/2011	250 00	0 00	BRKB	BERKSHIRE HATHAWAY INC DEL CL B NEW ***HSBC HOLDINGS PLC SPONSORED ADR NEW	87 637	81 102	21,909 18	20,275 19	LT	0 00	-1,633 99	21,909 18	0 00	0 00
01/04/2002	02/17/2011	167 00	0 00	HBC	***HSBC HOLDINGS PLC SPONSORED ADR NEW	99 923	58 981	16,687 22	9,849 57	LT	0 00	-6 837 65	16,687 22	0 00	0 00
03/30/2009	02/17/2011	111 00	0 00	HBC	***HSBC HOLDINGS PLC SPONSORED ADR NEW	41 870	58 981	4,647 55	6,546 72	LT	0 00	1,899 17	4,647 55	0 00	0 00
LT - TERM		528 00						43,243 95	36,671 48	LT	0 00	-6,572 47	43,243 95	0 00	0 00
TOTAL															
SECTION		2,228 00						71,992 93	64,072 85		-1,347 61	-6,572 47	71,992 93	0 00	0 00
TOTAL															

FIXED INCOME

Purchase Date	Close Date	No. of Shares	Orig Face	Symbol	Description	Unit Cost	Sale Price	Total Cost	Net Amount	Ind	ST Gain/Loss	LT Gain/Loss	Book Cost	Disc Inc	Curr Gain/Loss
06/17/2010	10/01/2010	10,000 00	0 00	032511AX5	ANADARKO PETE CORP SR NT 5 95000% 09/15/2016 032511AX5 MS_15	90 000	109 351	9 000 00	10,935 10	ST	1,935 10	0 00	9,000 00	0 00	0 00

09/10/2010	11/02/2010	10,000 00	0 00	269279AD7	EXCO RES INC SR NT 7 50000% 9/15/2018 269279AD7 CALLABLE @ 103 75 09/15/14 MS_15 CC	98 530	95 000	9,853 00	9,500 00	ST	-353 00	0 00	9,853 00	0 00	0 00
11/16/2010	03/02/2011	10,000 00	0 00	125896BG4	CMS ENERGY CORP SR NT 5 05000% 2/15/2018 125896BG4 FA_15	99 798	100 675	9,979 80	10,067 50	ST	87 70	0 00	9,979 80	0 00	0 00
11/19/2010	05/23/2011	10,000 00	0 00	913275AD5	UNITRIN INC SR NT 6 00000% 11/30/2015 913275AD5 MN_30	99 998	106 734	9,999 80	10,673 40	ST	673 60	0 00	9,999 80	0 00	0 00
07/20/2010	05/24/2011	10,000 00	0 00	629377AU6	NRG ENERGY INC SR NT 7 37500% 02/01/2016 629377AU6 CALLED @ 103 69 06/23/11 FA_01	102 000	103 938	10,200 00	10,393 80	ST	193 80	0 00	10,200 00	0 00	0 00
ST - TERM TOTAL		50,000 00						49,032 60	51,569 80	ST	2,537 20	0 00	49,032 60	0 00	0 00
05/06/2009	10/13/2010	10,000 00	0 00	85590AAM6	STARWOOD HOTELS & RESORTS WORLDWIDE INC SR NT 7 87500% 10/15/2014 85590AAM6 AO_15	96 446	113 520	9,644 58	11,352 00	LT	0 00	1,707 42	9,562 50	0 00	0 00
03/20/2009	10/15/2010	10,000 00	0 00	828807CA3	SIMON PPTY GROUP L P SENIOR NOTES 10 35000% 4/1/2019 828807CA3 AO_01	97 578	139 739	9,757 80	13,973 90	LT	0 00	4,216 10	9,757 80	0 00	0 00
LT - TERM TOTAL		20,000 00						19,402 38	25,325 90	LT	0 00	5,923 52	19,320 30	0 00	0 00