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

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

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation

KESSLER FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

120 CASA BENDITA

Room/suite

City or town, state, and ZIP code

PALM BEACH, FL 33480-3602

**G** Check all that apply

<input type="checkbox"/>	Initial return	<input type="checkbox"/>	Initial return of a former public charity
<input type="checkbox"/>	Final return	<input type="checkbox"/>	Amended return
<input type="checkbox"/>	Address change	<input type="checkbox"/>	Name change

**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) ► \$ 35,109,324.

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

(Part I, column (d) must be on cash basis)

**A** Employer identification number

04-3213614

**B** Telephone number (see 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 instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	67,434.	67,434.		
4 Dividends and interest from securities	963,014.	963,014.		ATCH 1
5a Gross rents				
b Net rental income or (loss)	575,399.			
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a	9,536,553.			
7 Capital gain net income (from Part IV, line 2)		575,399.		
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)	72,299.	72,299.		
12 Total. Add lines 1 through 11	1,678,146.	1,678,146.		
13 Compensation of officers, directors, trustees, etc	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) ATCH 2	10,000.		10,000.	
c Other professional fees (attach schedule) *	52,060.	52,060.		
17 Interest	500.		500.	
18 Taxes (attach schedule) (see instructions) **	500.		500.	
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 5	99,903.		99,903.	
24 Total operating and administrative expenses.				
Add lines 13 through 23	162,463.	52,060.		110,403.
25 Contributions, gifts, grants paid	269,990.			269,990.
26 Total expenses and disbursements Add lines 24 and 25	432,453.	52,060.	0	380,393.
27 Subtract line 26 from line 12	1,245,693.			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		1,626,086.		
c Adjusted net income (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions.

\*ATCH 3 JSA \*\* ATCH 4

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Form 990-PF (2011)

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<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )		
		End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash - non-interest-bearing . . . . .			
	2 Savings and temporary cash investments . . . . .	1,361,689.	792,249.	792,249.
	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 instructions) . . . . .			
	7 Other notes and loans receivable (attach schedule) ► *	* 8,000,000.	ATCH 6	
	Less allowance for doubtful accounts ►	8,000,000.	8,000,000.	5,077,300.
	8 Inventories for sale or use . . . . .			
	9 Prepaid expenses and deferred charges . . . . .			
	10 a Investments - U.S. and state government obligations (attach schedule).**	2,545,108.	2,545,108.	2,909,082.
	b Investments - corporate stock (attach schedule) ATCH 8 . . . . .	6,119,769.	8,496,805.	8,573,867.
	c Investments - corporate bonds (attach schedule) . . . . .			
	11 Investments - land, buildings, and equipment basis ►			
	Less accumulated depreciation ► (attach schedule)			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule) . . . . . ATCH 9 . . . . .	18,014,209.	17,594,072.	17,756,826.
	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) . . . . .	36,040,775.	37,428,234.	35,109,324.
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	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted . . . . .	36,040,775.	37,428,234.	
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds . . . . .			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . . . . .			
	30 Total net assets or fund balances (see instructions) . . . . .	36,040,775.	37,428,234.	
	31 Total liabilities and net assets/fund balances (see instructions) . . . . .	36,040,775.	37,428,234.	

**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	36,040,775.
2 Enter amount from Part I, line 27a . . . . .	2	1,245,693.
3 Other increases not included in line 2 (itemize) ► ATTACHMENT 10 . . . . .	3	141,766.
4 Add lines 1, 2, and 3 . . . . .	4	37,428,234.
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	37,428,234.

\*\*ATCH 7

Form 990-PF (2011)

**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)
<b>1a SEE PART IV SCHEDULE</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
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			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		<b>2</b>	575,399.	
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6).</b>	{ If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 }		<b>3</b>	0	

**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 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))
2010	371,586.	29,693,690.	0.012514
2009	1,764,376.	28,083,161.	0.062827
2008	2,734,526.	33,396,695.	0.081880
2007	3,032,510.	33,845,720.	0.089598
2006	2,599,065.	33,704,074.	0.077114

- 2 Total of line 1, column (d)** **2** 0.323933
- 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** 0.064787
- 4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5** **4** 33,412,490.
- 5 Multiply line 4 by line 3** **5** 2,164,695.
- 6 Enter 1% of net investment income (1% of Part I, line 27b)** **6** 16,261.
- 7 Add lines 5 and 6** **7** 2,180,956.
- 8 Enter qualifying distributions from Part XII, line 4** **8** 380,393.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1 . . .	(attach copy of letter if necessary - see instructions)	1	32,522.
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-) . . .			
3	Add lines 1 and 2 . . .	3	32,522.	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .	4	0	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . .	5	32,522.	
<b>Credits/Payments</b>				
a	2011 estimated tax payments and 2010 overpayment credited to 2011 . . .	6a	21,509.	
b	Exempt foreign organizations - tax withheld at source . . .	6b		
c	Tax paid with application for extension of time to file (Form 8868) . . .	6c	40,000.	
d	Backup withholding erroneously withheld . . .	6d		
7	Total credits and payments Add lines 6a through 6d . . .	7	61,509.	
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached . . .	8	161.	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . .	9		
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . .	10	28,826.	
11	Enter the amount of line 10 to be <b>Credited to 2012 estimated tax</b> ► <input type="checkbox"/> <b>Refunded</b> ► <input type="checkbox"/> 28,826. <b>Refunded</b> ► <input type="checkbox"/> 11			

**Part VII-A Statements Regarding Activities**

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . .	1a	X
1b	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	X
<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>			
1c	Did the foundation file <b>Form 1120-POL</b> for this year? . . .	1c	X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . .	2	X
<i>If "Yes," attach a detailed description of the activities</i>			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes . . .	3	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . .	4a	X
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . .	4b	X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . .	5	X
<i>If "Yes," attach the statement required by General Instruction T</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . .	6	X
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► MA, . . .		
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No," attach explanation . . .	8b	X
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV . . .	9	X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . .	10	X

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

11		X
12		X
13	X	
Website address ► N/A		
14	Telephone no ► 212-888-3400	
Located at ►JP MORGAN, 270 PARK AVENUE, 28TH FL 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 ► <input type="checkbox"/>	
and enter the amount of tax-exempt interest received or accrued during the year. ► 15		
16	Yes	No
At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . See the instructions for exceptions and filing requirements for Form TD F 90-221. 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? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . .		
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
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 2011? . . . . .		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) . . . . .		
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? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2011 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 2011) . . . . .		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .		
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 2011? . . . . .		X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

5a	During the year did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(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 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 instructions)? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5b	
	Organizations relying on a current notice regarding disaster assistance check here . . . . . ► <input type="checkbox"/>				
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	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			X
	If "Yes" to 6b, file Form 8870				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7b	

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 11		0	0	0
-----				
-----				
-----				
-----				
-----				

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

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

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

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
ATTACHMENT 12		50,935.
-----		
-----		
-----		
-----		
-----		
<b>Total number of others receiving over \$50,000 for professional services . . . . . ►</b>		

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

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	N/A	
2		
All other program-related investments. See instructions		
3	NONE	
<b>Total. Add lines 1 through 3 . . . . . ►</b>		

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a Average monthly fair market value of securities . . . . .	1a	33,527,569.
b Average of monthly cash balances . . . . .	1b	393,741.
c Fair market value of all other assets (see instructions) . . . . .	1c	
d <b>Total</b> (add lines 1a, b, and c) . . . . .	1d	33,921,310.
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	
3 Subtract line 2 from line 1d . . . . .	3	33,921,310.
4 Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions) . . . . .	4	508,820.
5 <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 . . . . .	5	33,412,490.
6 <b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	6	1,670,625.

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

1 Minimum investment return from Part X, line 6 . . . . .	1	1,670,625.
2a Tax on investment income for 2011 from Part VI, line 5 . . . . .	2a	32,522.
b Income tax for 2011 (This does not include the tax from Part VI) . . . . .	2b	
c Add lines 2a and 2b . . . . .	2c	32,522.
3 Distributable amount before adjustments Subtract line 2c from line 1 . . . . .	3	1,638,103.
4 Recoveries of amounts treated as qualifying distributions . . . . .	4	
5 Add lines 3 and 4 . . . . .	5	1,638,103.
6 Deduction from distributable amount (see instructions) . . . . .	6	
7 <b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1 . . . . .	7	1,638,103.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc - total from Part I, column (d), line 26 . . . . .	1a	380,393.
b Program-related investments - total from Part IX-B . . . . .	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required) . . . . .	3a	
b Cash distribution test (attach the required schedule) . . . . .	3b	
4 <b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .	4	380,393.
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 instructions) . . . . .	5	0
6 <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	6	380,393.

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

**Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7 . . . . .				1,638,103.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only . . . . .				
b Total for prior years 20 09 20 08 20 07 . . . . .				
3 Excess distributions carryover, if any, to 2011				
a From 2006 . . . . .	930,096.			
b From 2007 . . . . .	1,428,798.			
c From 2008 . . . . .	1,077,583.			
d From 2009 . . . . .	370,439.			
e From 2010 . . . . .				
f Total of lines 3a through e . . . . .	3,806,916.			
4 Qualifying distributions for 2011 from Part XII, line 4 ► \$ 380,393 . . . . .				
a Applied to 2010, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2011 distributable amount . . . . .				380,393.
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2011 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a))	1,257,710.			1,257,710.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	2,549,206.			
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 instructions . . . . .				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012 . . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) . . . . .				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a . . . . .	2,549,206.			
10 Analysis of line 9				
a Excess from 2007 . . . . .	1,101,184.			
b Excess from 2008 . . . . .	1,077,583.			
c Excess from 2009 . . . . .	370,439.			
d Excess from 2010 . . . . .				
e Excess from 2011 . . . . .				

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

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling. . . . . ►

b Check box to indicate whether the foundation is a private operating foundation described in section

**b** Check box to indicate whether the foundation is a private operating foundation described in section

	Tax year	Prior 3 years			(e) Total
		(a) 2011	(b) 2010	(c) 2009	
2 a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .				
b	85% of line 2a . . . . .				
c	Qualifying distributions from Part XII, line 4 for each year listed .				
d	Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .				
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .				
3	Complete 3a, b, or c for the alternative test relied upon				
a	"Assets" alternative test - enter				
	(1) Value of all assets . . . . .				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i). . . . .				
b	"Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X line 6 for each year listed . . . . .				
c	"Support" alternative test - enter				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties). . . . .				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii) . . . . .				
	(3) Largest amount of support from an exempt organization . . . . .				
	(4) Gross investment income .				

**Part XV** **Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see 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 13

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

NONE

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

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

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

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

**c Any submission deadlines.**

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

Form 990-PF (2011)

**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)				
<i>a Paid during the year</i>				
ATTACHMENT 14				
<b>Total</b> .....			► 3a	269,990.
<i>b Approved for future payment</i>				
<b>Total</b> .....			► 3b	

Form 990-PF (2011)

## 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 instructions )
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue						
a						
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments	.....					
3 Interest on savings and temporary cash investments				14	67,434.	
4 Dividends and interest from securities	.....			14	963,014.	
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	.....			41	72,299.	
8 Gain or (loss) from sales of assets other than inventory				18	575,399.	
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)	....				1,678,146.	
13 Total Add line 12, columns (b), (d), and (e)						13 1,678,146.

13 Total: Add line 12, columns (b), (d), and (e). . . . .  
(See worksheet in line 13 instructions to verify calculations.)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions )
1	NOT APPLICABLE

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
(1)	Cash . . . . .	1a(1)	X
(2)	Other assets . . . . .	1a(2)	X
b	Other transactions		
(1)	Sales of assets to a noncharitable exempt organization . . . . .	1b(1)	X
(2)	Purchases of assets from a noncharitable exempt organization . . . . .	1b(2)	X
(3)	Rental of facilities, equipment, or other assets . . . . .	1b(3)	X
(4)	Reimbursement arrangements . . . . .	1b(4)	X
(5)	Loans or loan guarantees . . . . .	1b(5)	X
(6)	Performance of services or membership or fundraising solicitations . . . . .	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

**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-11-103, complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship

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) is based on all information of which preparer has any knowledge.

**Sign  
Here**

► Father M. Lush

11/13/12

**Title**

May the IRS discuss this return  
with the preparer shown below  
(see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name CHARLES E. SHIRLEY	Preparer's signature 	Date 11/09/2012	Check <input type="checkbox"/> if self-employed	PTIN P00642482
	Firm's name ► PRICEWATERHOUSECOOPERS LLP		Firm's EIN ► 13-4008324		
	Firm's address ► 125 HIGH STREET BOSTON, MA		02110	Phone no	617-530-4417

**Form 990-PF (2011)**

**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			
258,816.			TOTAL CAPITAL GAIN DISTRIBUTIONS				164,380.	
			JPMORGAN #4008 - SEE STMT PROPERTY TYPE: SECURITIES 290,030.			P	VARIOUS	VARIOUS
8,711,657.			JPMORGAN #4008 - SEE STMT PROPERTY TYPE: SECURITIES 8,487,642.			P	VARIOUS	VARIOUS
228,583.			JPMORGAN #2005 - SEE STMT PROPERTY TYPE: SECURITIES 183,482.			P	VARIOUS	VARIOUS
10,532.			ISHARES COMMODITY INDEX TRUST				VAR	VAR
162,585.			ISHARES COMMODITY INDEX TRUST				10,532.	
							VAR	VAR
							162,585.	
TOTAL GAIN(LOSS) .....							<u>575,399.</u>	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIESATTACHMENT 1

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
JP MORGAN A16214008	812,201.	812,201.
JP MORGAN A33762005	52,946.	52,946.
JP MORGAN Q56788005	97,867.	97,867.
<b>TOTAL</b>	<b><u>963,014.</u></b>	<b><u>963,014.</u></b>

FORM 990PF, PART I - ACCOUNTING FEESATTACHMENT 2

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
PRICEWATERHOUSECOOPERS LLP	10,000.			10,000.
TOTALS		<u>10,000.</u>		<u>10,000.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
JP MORGAN MANAGEMENT FEES	42,986.	42,986.
ISHARES COMMODITY INDEX TRUST	7,949.	7,949.
OTHER PROFESSIONAL FEES	1,125.	1,125.
<b>TOTALS</b>	<b><u>52,060.</u></b>	<b><u>52,060.</u></b>

ATTACHMENT 3

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>CHARITABLE PURPOSES</u>
MA FILING FEE	500.	500.
TOTALS		<u>500.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>CHARITABLE EVENT EXPENSES</u>	<u>TOTALS</u>
REVENUE AND EXPENSES PER BOOKS	99,903.	99,903.

<u>CHARITABLE PURPOSES</u>	<u>99,903.</u>
	<u>99,903.</u>

ATTACHMENT 5

ATTACHMENT 6FORM 990PF, PART II - OTHER NOTES AND LOANS RECEIVABLE

BORROWER: SIPC CLAIM

BEGINNING BALANCE DUE ..... 8,000,000.ENDING BALANCE DUE ..... 8,000,000.ENDING FAIR MARKET VALUE ..... 5,077,300.TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE 8,000,000.TOTAL ENDING BOOK - OTHER NOTES AND LOANS RECEIVABLE 8,000,000.TOTAL ENDING FMV - OTHER NOTES AND LOANS RECEIVABLE 5,077,300.

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

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ISHARES BARCLAYS TIPS BOND FD	2,545,108.	2,909,082.
US OBLIGATIONS TOTAL	<u>2,545,108.</u>	<u>2,909,082.</u>

ATTACHMENT 7

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 8

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE ATTACHED	8,496,805.	8,573,867.
TOTALS	<u>8,496,805.</u>	<u>8,573,867.</u>

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION

SEE ATTACHED

TOTALS

ENDING  
BOOK VALUE

17,594,072.

17,594,072.

ENDING  
FMV

17,756,826.

17,756,826.

ATTACHMENT 9

ATTACHMENT 10FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
DIFFERENCE IN FMV TO COST	141,766.
TOTAL	<u>141,766.</u>

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

## ATTACHMENT 11

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS	EXPENSE ACCT
			TO EMPLOYEE	AND OTHER ALLOWANCES
		BENEFIT PLANS		
HOWARD J. KESSLER 120 CASA BENDITA PALM BEACH, FL 33480-3602	TRUSTEE	0	0	0
PATRICIA M. KESSLER 120 CASA BENDITA PALM BEACH, FL 33480-3602	TRUSTEE	0	0	0
GRAND TOTALS		0	0	0

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 12

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
JP MORGAN 270 PARK AVENUE, 28TH FLOOR NEW YORK, NY INVESTMENT MANAGEMENT		50,935.
	TOTAL COMPENSATION	<u>50,935.</u>

ATTACHMENT 13

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

HOWARD J. KESSLER  
PATRICIA M. KESSLER

FORM 990PF PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 14

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

SEE ATTACHED LIST

RECIPIENT NAME AND ADDRESS

NA

PUBLIC

AMOUNTPURPOSE OF GRANT OR CONTRIBUTION269,90TOTAL CONTRIBUTIONS PAID269,90

**Kessler Family Foundation**  
**US Form 990-PF**  
**Part 1- Line 25 - Charitable Gifts, Grants Paid**  
**December 31, 2011**  
**04-3213614**

American Cancer Society	1,000
American Friends of the Louvre	20,000
Art of the Olympians	2,500
Autism Speaks	1,000
Boca Parents Assn	590
Boys Club of NY	1,000
Brandeis Univ	1,000
Brigham and Womens Hosp	7,000
Cahoon Museum of Modern Art	2,500
Citizens Assoc	25,000
Colonial Dames of America	500
Dana Farber	16,000
Friends of the Israel Defense Fund	2,000
Glades Academy Fdn	2,000
Heritage Museum and Gardens	5,000
Int'l Mental Health Research Center	2,000
Int'l Society of Palm Beach	6,000
JFK Library Fund	15,000
Karen Tagliatella Fdn	3,000
Kidney Assn of S Florida	100
Kravis Center	100
LIFE	10,000
Mass General Hospital	35,200
Mayyim Hayyim	1,000
MGH Transplant Golf Classic	5,000
MS Society	1,000
National MS Society	250
Palm Beach Atlantic Univ	1,500
Palm Beach Civic Assn	5,000
Palm Beach Country Club Fund	1,000
Palm Beach Island Cats	1,500
Palm Beach PBA	50
Palm Beach Police Fdn	4,000
Palm Beach Zoo	1,000
Par 3 Foundation	5,000
Pinecrest Parents Assn	2,500
Pinecrest PTA	390
Pinecrest School	39,550
Preservation Fund of Palm Beach	16,560
Relay for Life	1,000
Royal Poinciana Chapel	1,000
Sacred Heart School	5,000
St Judes Hospital	1,000
Strongest Link AIDS Service	5,000
The Blenheim Foundation	10,000
The Community Coalition	1,000
The Historical Society of Palm Beach	2,200

**269,990**

**SCHEDULE D**  
**(Form 1041)**Department of the Treasury  
Internal Revenue Service**Capital Gains and Losses**

OMB No 1545-0092

**2011**

Name of estate or trust

KESSLER FAMILY FOUNDATION

Employer identification number

04-3213614

Note: Form 5227 filers need to complete **only** Parts I and II**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					
b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	1b	24,419.			
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	2				
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	3				
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2010 Capital Loss Carryover Worksheet . . . . .	4 ( )				
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back . . . . . ►	5	24,419.			

**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)
6a					
b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	6b	386,600.			
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	7				
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	8				
9 Capital gain distributions . . . . .	9	164,380.			
10 Gain from Form 4797, Part I . . . . .	10				
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2010 Capital Loss Carryover Worksheet . . . . .	11 ( )				
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back . . . . . ►	12	550,980.			

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

Schedule D (Form 1041) 2011

<b>Part III Summary of Parts I and II</b>		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss) . . . . .	13		24,419.
14	Net long-term gain or (loss):			
a	Total for year . . . . .	14a		550,980.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht) . . . . .	14b		
c	28% rate gain . . . . .	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ►	15		575,399.

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

#### Part IV Capital Loss Limitation

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

**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** in 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 **Schedule D Tax Worksheet** in 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 **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	19		
20	Add lines 18 and 19 . . . . .	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ►	21		
22	Subtract line 21 from line 20 If zero or less, enter -0- . . . . .	22		
23	Subtract line 22 from line 17 If zero or less, enter -0- . . . . .	23		
24	Enter the smaller of the amount on line 17 or \$2,300 . . . . .	24		
25	Is the amount on line 23 equal to or more than the amount on line 24?			
	<input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box	25		
	<input type="checkbox"/> No. Enter the amount from line 23 . . . . .	26		
26	Subtract line 25 from line 24 . . . . .	26		
27	Are the amounts on lines 22 and 26 the same?	27		
	<input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31	28		
	<input type="checkbox"/> No. Enter the smaller of line 17 or line 22	29		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	28		
29	Subtract line 28 from line 27 . . . . .	29		
30	Multiply line 29 by 15% ( 15 ) . . . . .	30		
31	Figure the tax on the amount on line 23. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	31		
32	Add lines 30 and 31 . . . . .	32		
33	Figure the tax on the amount on line 17. Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	33		
34	<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) . . . . .	34		

Schedule D (Form 1041) 2011

**SCHEDULE D-1  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

## Continuation Sheet for Schedule D (Form 1041)

OMB No 1545-0092

2011

► See instructions for Schedule D (Form 1041).

► See instructions for Schedule D (Form 1041).  
► Attach to Schedule D to list additional transactions for lines 1a and 6a.

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**Name of estate or trust**

**Employer identification number**

KESSLER FAMILY FOUNDATION

04-3213614

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

**1b Total.** Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . . 24,419.

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

**Schedule D-1 (Form 1041) 2011**

JSA

1F1221 2 000

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side

**Employer identification number**

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

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b. . . . . 386,600.

**Schedule D-1 (Form 1041) 2011**

Description	Quantity	Date Acq	Date Sold	Proceeds	Cost Basis	Short-Term Realized Gain/Loss	Long-Term Realized Gain/Loss
AIR PRODUCTS & CHEMICALS INC	74	05/03/2011	11/16/2011	6,270.78	6,971.37	(700.59)	0.00
AIR PRODUCTS & CHEMICALS INC	33	05/03/2011	11/17/2011	2,677.14	3,108.85	(431.71)	0.00
AIR PRODUCTS & CHEMICALS INC	41	06/01/2011	11/17/2011	3,326.15	3,829.66	(503.51)	0.00
AIR PRODUCTS & CHEMICALS INC	30	04/05/2011	11/18/2011	2,431.04	2,772.21	(341.17)	0.00
AIR PRODUCTS & CHEMICALS INC	71	05/11/2011	11/18/2011	5,753.47	6,627.36	(873.89)	0.00
AIR PRODUCTS & CHEMICALS INC	98	06/01/2011	11/18/2011	7,941.40	9,153.83	(1,212.43)	0.00
AIR PRODUCTS & CHEMICALS INC	100	04/05/2011	11/21/2011	7,960.07	9,240.70	(1,280.63)	0.00
AIR PRODUCTS & CHEMICALS INC	88	04/05/2011	11/22/2011	6,976.52	8,131.82	(1,155.30)	0.00
AIR PRODUCTS & CHEMICALS INC	141	04/05/2011	11/23/2011	10,890.55	13,029.39	(2,138.84)	0.00
AIR PRODUCTS & CHEMICALS INC	37	04/05/2011	11/25/2011	2,851.94	3,419.06	(567.12)	0.00
AIR PRODUCTS & CHEMICALS INC	122	04/05/2011	11/28/2011	9,662.14	11,273.65	(1,611.51)	0.00
AIR PRODUCTS & CHEMICALS INC	41	04/06/2011	11/28/2011	3,247.11	3,780.16	(533.05)	0.00
AIR PRODUCTS & CHEMICALS INC	134	04/06/2011	11/29/2011	10,618.37	12,354.68	(1,736.31)	0.00
AIR PRODUCTS & CHEMICALS INC	118	08/22/2011	11/29/2011	9,350.51	8,911.73	438.78	0.00
<b>AIR PRODUCTS &amp; CHEMICALS INC Total</b>	<b>1,128</b>			<b>89,957.19</b>	<b>102,604.47</b>	<b>(12,647.28)</b>	<b>0.00</b>
ARTIO INTERNATIONAL EQUITY II - I	4,429	08/10/2009	12/23/2011	43,312.67	50,000.00	0.00	(6,687.33)
ARTIO INTERNATIONAL EQUITY II - I	2,695	08/11/2009	12/23/2011	28,361.18	30,000.00	0.00	(3,638.82)
ARTIO INTERNATIONAL EQUITY II - I	10,495	11/04/2009	12/23/2011	102,644.84	125,000.00	0.00	(22,355.16)
ARTIO INTERNATIONAL EQUITY II - I	7,968	11/17/2009	12/23/2011	77,928.28	100,000.00	0.00	(22,071.72)
ARTIO INTERNATIONAL EQUITY II - I	4,122	12/22/2009	12/23/2011	40,313.28	50,000.00	0.00	(9,668.72)
ARTIO INTERNATIONAL EQUITY II - I	9,921	02/18/2011	12/23/2011	97,023.81	125,000.00	(27,976.19)	0.00
<b>ARTIO INTERNATIONAL EQUITY II - I Total</b>	<b>39,630</b>			<b>367,584.06</b>	<b>480,000.00</b>	<b>(27,976.19)</b>	<b>(64,439.75)</b>
DIGITAL REALTY TRUST INC	410	03/15/2011	06/14/2011	25,450.01	22,879.07	2,570.94	0.00
DIGITAL REALTY TRUST INC	199	06/01/2011	06/14/2011	12,352.57	12,265.72	86.85	0.00
DIGITAL REALTY TRUST INC	173	01/10/2011	06/15/2011	10,477.60	9,083.07	1,394.53	0.00
DIGITAL REALTY TRUST INC	27	03/15/2011	06/15/2011	1,635.23	1,506.67	128.56	0.00
DIGITAL REALTY TRUST INC	362	01/10/2011	06/16/2011	21,806.79	19,006.20	2,800.59	0.00
DIGITAL REALTY TRUST INC	187	01/10/2011	06/17/2011	11,300.88	9,745.39	1,553.49	0.00
DIGITAL REALTY TRUST INC	125	01/10/2011	06/17/2011	7,554.07	6,562.91	991.16	0.00
DIGITAL REALTY TRUST INC	49	01/10/2011	06/17/2011	2,961.19	2,553.61	407.58	0.00
<b>DIGITAL REALTY TRUST INC Total</b>	<b>1,532</b>			<b>93,538.34</b>	<b>83,602.64</b>	<b>9,935.70</b>	<b>0.00</b>
EATON VANCE SPL INV'T TR VALUE FD CL I	9,836	08/10/2009	08/19/2011	155,114.76	150,000.00	0.00	5,114.76
EATON VANCE SPL INV'T TR VALUE FD CL I	5,888	08/11/2009	08/19/2011	94,431.14	90,000.00	0.00	4,431.14
EATON VANCE SPL INV'T TR VALUE FD CL I	31,348	11/04/2009	08/19/2011	494,357.36	500,000.00	0.00	(5,642.64)
EATON VANCE SPL INV'T TR VALUE FD CL I	16,370	01/13/2010	08/19/2011	258,153.35	285,000.00	0.00	(26,846.65)
<b>EATON VANCE SPL INV'T TR VALUE FD CL I Total</b>	<b>63,542</b>			<b>1,002,056.61</b>	<b>1,025,000.00</b>	<b>0.00</b>	<b>(22,943.39)</b>
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	47,043	01/19/2010	04/07/2011	350,000.00	331,653.23	0.00	18,346.77
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	52,248	01/19/2010	05/27/2011	368,723.40	368,346.77	0.00	20,376.63
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	28,397	03/05/2010	05/27/2011	211,276.60	198,497.77	0.00	12,778.83
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	40,706	03/05/2010	06/09/2011	300,000.00	284,531.88	0.00	15,468.12
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	81,855	03/05/2010	07/01/2011	600,000.00	572,169.17	0.00	27,830.83
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	29,155	02/10/2010	08/19/2011	201,166.18	200,000.00	0.00	1,168.18
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	106,552	03/05/2010	08/19/2011	735,211.46	744,801.18	0.00	(9,589.72)
<b>GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS Total</b>	<b>385,956</b>			<b>2,788,377.64</b>	<b>2,700,000.00</b>	<b>0.00</b>	<b>86,377.64</b>
HSBC ASIA BREN 02/03/11 (10%BUFFER-2XLEV-8.9%CAP-17.8%MAXP)	275,000	01/15/2010	02/03/2011	323,950.00	275,000.00	0.00	48,950.00
HSBC ASIA BREN 02/03/11 (10%BUFFER-2XLEV-8.9%CAP-17.8%MAXP)	275,000			323,950.00	275,000.00	0.00	48,950.00
JPM SHORT DURATION BOND FD - SEL FUND 3133.0 92%	22,810	02/11/2010	02/18/2011	250,000.00	248,859.49	0.00	1,140.51
JPM SHORT DURATION BOND FD - SEL FUND 3133.0 92% Total	22,810			250,000.00	248,859.49	0.00	1,140.51
NATIONAL SEMICONDUCTOR CORP	1,331	01/10/2011	04/05/2011	32,039.61	18,528.32	13,511.29	0.00
NATIONAL SEMICONDUCTOR CORP	1,900	01/10/2011	04/05/2011	45,736.49	26,646.93	19,089.56	0.00
NATIONAL SEMICONDUCTOR CORP	1,571	03/15/2011	04/05/2011	37,816.88	22,603.71	15,213.15	0.00
<b>NATIONAL SEMICONDUCTOR CORP Total</b>	<b>4,802</b>			<b>115,592.98</b>	<b>87,778.98</b>	<b>47,814.00</b>	<b>0.00</b>
PIMCO TOTAL RETURN FUND	5,412	08/17/2009	02/18/2011	58,608.94	57,905.41	0.00	703.53
PIMCO TOTAL RETURN FUND	1,755	12/02/2009	02/18/2011	19,008.53	19,377.12	0.00	(368.59)
PIMCO TOTAL RETURN FUND	3,759	12/11/2009	02/18/2011	40,708.78	40,934.31	0.00	(225.53)
PIMCO TOTAL RETURN FUND	1,046	12/11/2009	02/18/2011	11,323.87	11,386.61	0.00	(62.74)
PIMCO TOTAL RETURN FUND	1,528	01/05/2010	02/18/2011	16,552.94	16,507.09	0.00	45.85
PIMCO TOTAL RETURN FUND	1,155	02/02/2010	02/18/2011	12,509.91	12,660.07	0.00	(150.16)
PIMCO TOTAL RETURN FUND	1,138	03/02/2010	02/18/2011	12,324.88	12,506.96	(182.08)	0.00
PIMCO TOTAL RETURN FUND	1,192	04/05/2010	02/18/2011	12,913.64	13,164.04	(250.40)	0.00
PIMCO TOTAL RETURN FUND	1,221	05/04/2010	02/18/2011	13,225.77	13,592.13	(366.38)	0.00
PIMCO TOTAL RETURN FUND	1,122	06/02/2010	02/18/2011	12,147.78	12,450.64	(302.86)	0.00
PIMCO TOTAL RETURN FUND	1,238	07/02/2010	02/18/2011	13,404.03	13,936.23	(532.20)	0.00
PIMCO TOTAL RETURN FUND	1,312	08/03/2010	02/18/2011	14,206.54	14,954.28	(747.72)	0.00
PIMCO TOTAL RETURN FUND	1,206	09/02/2010	02/18/2011	13,064.39	13,920.88	(856.49)	0.00
PIMCO TOTAL RETURN FUND	7,446	12/08/2008	03/10/2011	81,240.37	78,708.59	0.00	2,531.78
PIMCO TOTAL RETURN FUND	2,067	08/04/2009	03/10/2011	22,554.00	21,975.17	0.00	578.83
PIMCO TOTAL RETURN FUND	59,231	08/17/2009	03/10/2011	846,205.63	633,767.21	0.00	12,438.42
PIMCO TOTAL RETURN FUND	32,081	12/06/2008	03/11/2011	350,000.00	339,092.58	0.00	10,907.42
PIMCO TOTAL RETURN FUND	27,650	12/06/2008	12/23/2011	300,000.00	292,258.07	0.00	7,741.93
<b>PIMCO TOTAL RETURN FUND Total</b>	<b>151,559</b>			<b>1,650,000.00</b>	<b>1,819,097.37</b>	<b>(3,238.11)</b>	<b>34,140.74</b>
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	101,112	08/10/2009	01/06/2011	1,000,000.00	943,377.15	0.00	56,622.85
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	30,181	08/10/2009	01/31/2011	300,000.00	281,589.54	0.00	18,410.46
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	50,659	08/10/2009	02/18/2011	500,000.00	472,644.38	0.00	27,355.62
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	25,075	08/10/2009	03/10/2011	250,000.00	233,851.86	0.00	16,048.14
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	10,121	08/10/2009	03/22/2011	100,000.00	94,433.19	0.00	5,568.81
VANGUARD FI SECFS F INTR TRM CP PT FUND 71	35,714	08/10/2009	04/06/2011	350,000.00	333,214.29	0.00	16,785.71
<b>VANGUARD FI SECFS F INTR TRM CP PT FUND 71 Total</b>	<b>252,863</b>			<b>2,500,000.00</b>	<b>2,359,210.41</b>	<b>0.00</b>	<b>140,789.59</b>
<b>Grand Total</b>						<b>13,888.12</b>	<b>224,015.34</b>

BEGINNING OF YEAR			
<u>Description</u>	<u>Quantity</u>	<u>Cost</u>	<u>FMV</u>
<b><u>Line 10a- US Govt Obligations</u></b>			
ISHARES BARCLAYS TIPS BOND FUND	24,930	2,545,108	2,680,474
<b><u>Line 10b- Corporate Stock Investments</u></b>			
ARTIO INTERNATIONAL EQUITY II - I	29,710	355,000	370,182
DODGE & COX INTERNATIONAL STOCK	11,449	355,000	408,832
EATON VANCE SPL INV'T TR VALUE FD CL I	63,542	1,025,000	1,160,912
HARTFORD CAPITAL APPRECIATION FUND	10,136	275,000	351,109
ISHARES S&P GSCI COMMODITY-INDEXED TRUST	31,000	995,883	1,057,100
ISHARES RUSSELL MIDCAP INDEX FUND	3,648	290,094	371,184
ISHARES S&P MIDCAP 400 INDEX FUND	6,513	445,436	590,664
IVY GLOBAL NATURAL RESOURCE-I	5,008	100,000	110,315
JPMORGAN SMALL CAP GROWTH FUND SELECT SHARE CLASS FUND 3136	20,513	160,000	239,795
JPMORGAN TR I US LARGE CAP VALUE PLUS SELECT SHARE CLASS FUND 1513	25,253	300,000	302,778
MANAGERS AMG FUNDS-TIMESSQUARE MID CAP GROWTH FUND	7,713	80,000	107,363
MANNING & NAPIER FUND INC EQUITY SERIES	13,279	230,000	255,895
MATTHEWS PACIFIC TIGER FD	23,767	425,000	557,089
PROFESSIONALLY MANAGED PORTFOLIOS THE OSTERWEIS FUND	12,625	275,000	342,132
SPDR GOLD TRUST	3 230	373,357	448,066
THREADNEEDLE ASIA PACIFIC FUND - R5	36 439	435,000	515,605
		6,119,769	7,189,020
<b><u>Line 13- Other Investments</u></b>			
DREYFUS/LAUREL FDS TR PRM EMRGN MK I	36,792	500,000	532,009
EATON VANCE MUT FDS TR FLT RT CL I	114,857	1,000,000	1,029,116
GOLDMAN SACHS TRUST HIGH YIELD FUND INSTITUTIONAL SHS	385,956	2,700,000	2,817,479
HSBC ASIA BREN 02/03/11	275,000	275,000	316,938
INTER AMERICAN DEVEL BK - CLP 6% JUN 03 2013 DTD 06/03/2008 HELD BY EUROCL	225,000,000	485,887	496,330
INTL BK RECON & DEVELOP - TRY 9% JAN 25 2013 DTD 01/25/2010 HELD BY EUROCL	625,000	463,645	429,467
J P MORGAN - BLACKROCK OPPORTUNISTIC RMBS LTD (INCOME DISTRIBUTION) - 1	500	500,000	557,930
JPMORGAN HIGH YIELD BOND FUND SELECT CLASS FUND 3580 6 82%	149,559	1,145,458	1,218,909
JPMORGAN HIGH YIELD BOND FUND SELECT CLASS FUND 3580 6 82%	120,984	616,359	986,021
JPMORGAN SHORT DURATION BOND FUND SELECT CLASS FUND 3133 1 23%	121,433	1,314,866	1,332,117
PIMCO LOW DURATION FUND	96,525	1,000,000	1,002,896
PIMCO TOTAL RETURN FUND	487,022	5,134,045	5,284,190
VANGUARD FIXED INCOME SEC'S F INTR TRM CP PT (FUND 71)	294,748	2,750,000	2,923,901
BLACKSTONE COMMERCIAL REAL ESTATE DEBT CLASS A (OFFSHORE)	1,500,000	85,540	78,041
JPM U S REAL ESTATE INCOME AND GROWTH CAYMAN FINANCE CORP . COMMITM	1,500,000	0	0
	17,970,800	19,005,344	
Accrued Income		43,409	126,450
	18,014,209	19,131,794	

Kessler Family Foundation  
US Form 990-PF  
Part II - Balance Sheets  
December 31, 2011

04-3213614

**END OF YEAR**

<b>Description</b>	<b>Quantity</b>	<b>Cost</b>	<b>FMV</b>
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**Line 10a- US Govt Obligations**

ISHARES BARCLAYS TIPS BOND FUND	24,930	2,545,108	2,909,082
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**Line 10b- Corporate Stock Investments**

ABBOTT LABORATORIES	1,956	94,982	109,986
ANALOG DEVICES INC	2,324	79,358	83,153
AUTOMATIC DATA PROCESSING INC	1,979	96,901	106,886
CHEVRON CORP	1,066	101,165	113,422
COLGATE PALMOLIVE CO	1,173	93,425	108,373
COLUMBIA FDS SER TR II MASS ASIA PC JP R5	48,654	585,000	531,296
CONOCOPHILLIPS	1,429	98,956	104,131
DODGE & COX INTERNATIONAL STOCK	42,531	1,480,000	1,243,598
GENERAL MILLS INC	2,584	94,292	104,419
HARTFORD CAPITAL APPRECIATION FUND	10,136	275,000	292,016
HONEYWELL INTERNATIONAL INC	1,915	101,496	104,080
ILLINOIS TOOL WORKS INC	1,822	96,789	85,106
INTEL CORP	5,012	103,104	121,541
ISHARES RUSSELL MIDCAP INDEX FUND	3,648	290,094	359,036
ISHARES S&P MIDCAP 400 INDEX FUND	8,513	606,540	745,824
IVY GLOBAL NATURAL RESOURCE-I	26,690	550,000	463,332
JOHNSON & JOHNSON	1,658	102,467	108,732
JPM LARGE CAP GROWTH FD - SEL FUND 3118	33,114	650,000	710,635
JPM SMALL CAP GROWTH FD - SEL FUND 3136	20,513	160,000	227,077
JPM TR I US LARGE CAP VAL PLUS - SEL FUND 1513	25,253	300,000	230,556
KELLOGG CO	1,848	97,344	93,453
LOCKHEED MARTIN CORP	1,348	101,293	109,053
MANAGERS AMG FUNDS-TIMESSQUARE MID CAP GROWTH FUND	7,713	80,000	101,887
MANNING & NAPIER FUND INC EQUITY SERIES	24,329	455,000	423,089
MATTHEWS PACIFIC TIGER INSTL FUND	23,747	425,000	482,539
MC DONALDS CORP	1,287	98,687	129,125
MICROCHIP TECHNOLOGY INC	2,986	103,760	109,377
NEXTERA ENERGY INC	1,807	96,989	110,010
PEOPLE'S UNITED FINANCIAL INC	7,533	99,093	96,799
PEPSICO INC	1,559	102,009	103,440
PROCTER & GAMBLE CO	1,597	101,516	106,536
PROFESSIONALLY MANAGED PORTFOLIOS THE OSTERWEIS FUND	12,625	275,000	323,573
RAYTHEON CO	2,151	102,930	104,065
TRANSAMERICA FDS WMC EMRG MKTS12	11,228	150,000	111,490
VANGUARD MSCI EMERGING MARKETS ETF	5,659	248,615	216,230
	<u>8,496,805</u>	<u>8,573,867</u>	

**Line 13- Other Investments**

DOUBLELINE FDS TR TTL RTN BD I	31,532	350,000	347,793
DREYFUS/LAUREL FDS TR PRM EMRGN MK I	61,396	875,000	807,976
EATON VANCE MUT FDS TR FLT RT CL I	114,857	1,000,000	1,011,888
FORD MOTOR CREDIT CO NOTES 7% OCT 1 2013 DTD 9/23/2003	500,000	541,875	530,165
HARBOR HIGH YIELD BOND FUND - INS	37,559	400,000	397,746
INTER AMERICAN DEVEL BK - CLP 6% JUN 03 2013 DTD 06/03/2008 HELD BY EUROCL	225,000,000	485,887	442,046
INTL BK RECON & DEVELOP - TRY 9% JAN 25 2013 DTD 01/25/2010 HELD BY EUROCL	625,000	463,645	330,602
J P MORGAN - BLACKROCK OPPORTUNISTIC RMBS LTD INCOME DISTRIBUTION 01-	557	500,000	527,687
JPM HIGH YIELD FD - SEL FUND 3580 6 80%	270,544	2,094,817	2,061,542
JPM SHORT DURATION BOND FD - SEL FUND 3133 0 92%	98,623	1,066,006	1,079,917
JPM STR INC OPP FD FUND 3844 3 21%	62,362	750,000	706,560
PIMCO LOW DURATION FUND	96,525	1,000,000	993,243
PIMCO TOTAL RETURN FUND	335,463	3,514,948	3,646,487
VANGUARD FI SEC'S F INTR TRM CP PT FUND 71	41,885	390,790	418,434
BLACKSTONE COMMERCIAL REAL ESTATE DEBT CLASS A (OFFSHORE)	1,500,000	909,964	908,882
HIGHBRIDGE DYNAMIC COMM STRG FD -SEL	14,287	300,000	244,743
ISHARES S&P GSCI COMMODITY-INDEXED TRUST	31,000	995,883	1,022,380
JPM US REAL ESTATE INCOME AND GROWTH FINANCE CORP (CAYMAN) UNIT BALAI	2,172,927	1,500,000	1,639,308
SPDR GOLD TRUST	3,630	445,341	551,724
	<u>17,584,156</u>	<u>17,669,123</u>	
Accrued Income		9,917	87,703
	<u>17,594,072</u>	<u>17,756,826</u>	

Application for Extension of Time To File an  
Exempt Organization Return

► 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

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or  <input checked="" type="checkbox"/> 04-3213614
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  120 CASA BENDITA	Social security number (SSN)  <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions  PALM BEACH, FL 33480-3602	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . 0 4

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	01	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 ► SHARON JACQUET

Telephone No. ► 212 888-3400

FAX No. ►

- 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 08/15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for  
 calendar year 20 11 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

3a	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	3a \$ 61,509.
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	3b \$ 21,509.
c	Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c \$ 40,000.

**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.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev 1-2012)

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box.  X
- 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).**

Enter filer's identifying number, see instructions

<b>Type or print</b>  File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions.  KESSLER FAMILY FOUNDATION	Employer identification number (EIN) or  <input checked="" type="checkbox"/> 04-3213614
	Number, street, and room or suite no. If a P.O. box, see instructions  120 CASA BENDITA	Social security number (SSN)  <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.  PALM BEACH, FL 33480-3602	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8069	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 ► SHARON JACQUET  
Telephone No. ► 212 888-3400 FAX No. ►
- 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.

- I request an additional 3-month extension of time until 11/15, 2012.
- For calendar year 2011, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_\_.  
If the tax year entered in line 5 is for less than 12 months, check reason  Initial return  Final return  
 Change in accounting period
- State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 8069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$ 61,509.
b If this application is for Form 990-PF, 990-T, 4720, or 8069, 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.	8b \$ 61,509.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$ 0

**Signature and Verification must be completed for Part II only.**

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 ► 9/7/12

Form 8868 (Rev. 1-2012)