Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation THE SUE AND EUGENE MERCY, JR. FOUNDATION	**A** Employer identification number 13-6217050
Number and street (or P O box number if mail is not delivered to street address) C/O BCRS ASSOCIATES, LLC 77 WATER STREET — Room/suite 9TH FL	**B** Telephone number (see instructions) (212) 440-0800
City or town, state, and ZIP code NEW YORK, NY 10005	**C** If exemption application is pending check here ▶ ☐

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

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 4,869,505.

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) ____________
(Part I, column (d) must be on cash basis)

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

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		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 N/A	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	1,544.	1,544.		ATCH 1
	4	Dividends and interest from securities	39,851.	39,851.		ATCH 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-25,793.			
	b	Gross sales price for all assets on line 6a 4,217,527.				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	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)	-332.	-332.		ATCH 3
	12	**Total.** Add lines 1 through 11	15,270.	41,063.		
Operating and Administrative Expenses	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 4	6,700.	3,350.		3,350.
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions) **	1,000.			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) ATCH 6	67,777.	67,402.		375.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	75,477.	70,752.		3,725.
	25	Contributions, gifts, grants paid	524,789.			524,789.
	26	**Total expenses and disbursements** Add lines 24 and 25	600,266.	70,752.		528,514.
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-584,996.			
	b	**Net investment income** (if negative, enter -0-)		0		
	c	**Adjusted net income** (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions. JSA ** ATCH 5 Form **990-PF** (2011)

Part II Balance Sheets

		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	16,204.	360,568.	360,568.
	2	Savings and temporary cash investments	888,178.	4,230,045.	4,230,045.
	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) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 7	278,892.	278,892.	278,892.
	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)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶ ATCH 8)	4,271,226.		
	16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	5,454,500.	4,869,505.	4,869,505.
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)			
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒			
	27	Capital stock, trust principal, or current funds	5,454,500.	4,869,505.	
	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)	5,454,500.	4,869,505.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	5,454,500.	4,869,505.	

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	5,454,500.
2	Enter amount from Part I, line 27a	2	-584,996.
3	Other increases not included in line 2 (itemize) ▶ ATTACHMENT 9	3	1.
4	Add lines 1, 2, and 3	4	4,869,505.
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,869,505.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	-25,793.
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 instructions). If (loss), enter -0- in Part I, line 8	3	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	246,490.	5,597,286.	0.044037
2009	288,285.	5,346,659.	0.053919
2008	371,711.	6,281,102.	0.059179
2007	634,650.	6,389,230.	0.099331
2006	805,180.	5,384,534.	0.149536

2	**Total** of line 1, column (d)	2	0.406002
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	0.081200
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	5,218,469.
5	Multiply line 4 by line 3	5	423,740.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7	Add lines 5 and 6	7	423,740.
8	Enter qualifying distributions from Part XII, line 4	8	528,514.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter _______________ (attach copy of letter if necessary - see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	0.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0
3	Add lines 1 and 2			3	0
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	0
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	2,610.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	2,610.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	2,610.
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 2,610. **Refunded** ▶			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
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		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0 **(2)** On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NY,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 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)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ BCRS ASSOCIATES, LLC Telephone no ▶ 212-440-0800

Located at ▶ 77 WATER STREET - 9TH FLOOR NEW YORK, NY ZIP + 4 ▶ 10005

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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)*	3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

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

2 Compensation of five highest-paid employees (other than those included on line 1 - see 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
N/A		0	0	0

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

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

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
N/A	NONE	0
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

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

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	0.
2 N/A	0
All other program-related investments See instructions 3 N/A	0.
Total. Add lines 1 through 3 ▶	

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	278,892.
b	Average of monthly cash balances	1b	1,176,391.
c	Fair market value of all other assets (see instructions)	1c	3,842,655.
d	**Total** (add lines 1a, b, and c)	1d	5,297,938.
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	5,297,938.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	79,469.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,218,469.
6	**Minimum investment return.** Enter 5% of line 5	6	260,923.

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	260,923.
2a	Tax on investment income for 2011 from Part VI, line 5 2a		
b	Income tax for 2011 (This does not include the tax from Part VI) 2b		
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1	3	260,923.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	260,923.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	260,923.

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	528,514.
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	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	528,514.
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	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	528,514.

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

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Part XIII Undistributed Income (see instructions)

			(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7					260,923.
2	Undistributed income, if any, as of the end of 2011					
a	Enter amount for 2010 only				NONE	
b	Total for prior years 20____,20____,20____			NONE		
3	Excess distributions carryover, if any, to 2011					
a	From 2006	574,006.				
b	From 2007	352,401.				
c	From 2008	57,656.				
d	From 2009	36,551.				
e	From 2010	0				
f	**Total** of lines 3a through e		1,020,614.			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 528,514.					
a	Applied to 2010, but not more than line 2a				NONE	
b	Applied to undistributed income of prior years (Election required - see instructions)			NONE		
c	Treated as distributions out of corpus (Election required - see instructions)		NONE			
d	Applied to 2011 distributable amount					260,923.
e	Remaining amount distributed out of corpus		267,591.			
5	Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		NONE			
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,288,205.			
b	Prior years' undistributed income Subtract line 4b from line 2b			NONE		
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			NONE		
d	Subtract line 6c from line 6b. Taxable amount - see instructions			NONE		
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				NONE	
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					NONE
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		NONE			
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		574,006.			
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		714,199.			
10	Analysis of line 9					
a	Excess from 2007	352,401.				
b	Excess from 2008	57,656.				
c	Excess from 2009	36,551.				
d	Excess from 2010	0.				
e	Excess from 2011	267,591.				

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

NOT APPLICABLE

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

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed .					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i).					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . .					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income .					

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

EUGENE MERCY, JR.; C/O BCRS ASSOC, 77 WATER ST-9TH FL, NY, NY 10005

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE LIST ATTACHED				524,789.
Total ▶ 3a				524,789.
b *Approved for future payment*				
NONE				0.
Total ▶ 3b				

Form **990-PF** (2011)

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Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (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	1,544.	
4 Dividends and interest from securities			14	39,851.	
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	-25,793.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b ATTACHMENT 11			01	-332.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				15,270.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . . 13 15,270.

(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)
11B	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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

Signature of officer or trustee

Date 5/8/12

Title PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOHN D. COOK		5/11/12		P01450182

Firm's name ▶ BCRS ASSOCIATES, LLC

Firm's EIN ▶ 13-4078147

Firm's address ▶ 77 WATER STREET, 9TH FLOOR
NEW YORK, NY 10005

Phone no 212-440-0800

WRITTEN CONSENT IN LIEU OF MEETING OF THE BOARD OF DIRECTORS OF THE SUE AND EUGENE MERCY, JR. FOUNDATION

1. The Board hereby elects the following person as Class B Director, to hold office until the next annual meeting of the Board of Directors and until his successor is selected and qualified, and to serve without compensation:

Aaron Daniels

2. The Board hereby approves, ratifies and confirms any and all actions taken on behalf of the Corporation by the Board and officers of the Corporation since the execution of the Consent in writing of the Board dated as of July 24, 1995.

Dated: December 31, 2010

Eugene Mercy, Jr.
President & Treasurer

Aaron Daniels
AARON DANIELS
Director

EUGENE MERCY III
DIRECTOR

THE SUE AND EUGENE MERCY, JR. FOUNDATION 13-6217050

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		LOSS ON DISPOSITION OF GRANITE CAP OPP F PROPERTY TYPE: SECURITIES				P	VAR	VAR
4,217,527.		4,222,892.					-5,365.	
		LTCG THRU GRANITE CAP OPP FD K-1 PROPERTY TYPE: SECURITIES				P	VAR	VAR
							477,822.	
		STC(L) THRU GRANITE CAP OPP FD K-1 PROPERTY TYPE: SECURITIES				P	VAR	VAR
							-498,250.	
TOTAL GAIN (LOSS)							-25,793.	

THE SUE AND EUGENE MERCY, JR. FOUNDATION **13-6217050**

SUPPLEMENTARY STATEMENTS

PART: XV **LINE: 2** **SUPPLEMENTAL INFORMATION**

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

ATTACHMENT 1

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

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
INTEREST ON BDA	1,512.	1,512.	NONE
INTEREST ON CREDIT BALANCE	32.	32.	NONE
TOTAL	1,544.	1,544.	

ATTACHMENT 2

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

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
DIVIDENDS THRU GRANITE CAPITAL OPP FUND	39,798.	39,798.	NONE
DIVIDENDS THRU GOLDMAN SACHS	23.	23.	NONE
INT THRU GRANITE CAPITAL OPP FUND	30.	30.	NONE
TOTAL	39,851.	39,851.	

ATTACHMENT 3

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
SEC. 988(L) THRU GRANITE CAP OPP FD K-1	-332.	-332.	NONE
TOTALS	-332.	-332.	

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
BCRS ASSOCIATES, LLC		6,700.	3,350.	NONE	3,350.
	TOTALS	6,700.	3,350.		3,350.

ATTACHMENT 5

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
FEDERAL TAX PAID: -EXTENSION 990-PF FYE 12/31/10	1,000.	NONE	NONE	NONE
TOTALS	1,000.			

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
NEW YORK STATE FILING FEE	250.	NONE	NONE	250.
PORT DED'S-GRANITE CAP OPP FD	8,250.	8,250.		NONE
INT EXP - GRANITE CAP OPP FUND	58,876.	58,876.		
FOREIGN TAX PAID - GRANITE CAP	276.	276.		
INCISIVE MEDIA PUBLICATION FEE	125.	NONE		125.
TOTALS	67,777.	67,402.		375.

ATTACHMENT 7

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
SEE LONG POSITION ATTACHED	278,892.	278,892.	278,892.
TOTALS	278,892.	278,892.	278,892.

ATTACHMENT 8

FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
GRANITE CAP OPP FUND II, L.P. (COMPLETE REDEMPTION FYE 12/31/2011)	4,271,226.	NONE	NONE
TOTALS	4,271,226.		

ATTACHMENT 9

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

DESCRIPTION	AMOUNT
ROUNDING	1.
TOTAL	1.

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

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
EUGENE MERCY, JR. C/O BCRS ASSOCIATES, LLC 77 WATER STREET - 9TH FLOOR NEW YORK, NY 10005	PRESIDENT/PART-TIME	0	0	0
ROBERT E. MNUCHIN C/O BCRS ASSOCIATES, LLC 77 WATER STREET - 9TH FLOOR NEW YORK, NY 10005	SECRETARY/PART-TIME	0	0	0
EUGENE MERCY III C/O BCRS ASSOCIATES, LLC 77 WATER STREET - 9TH FLOOR NEW YORK, NY 10005	DIR. CLASS B/PART-TIME	0	0	0
ANDREW SETH MERCY C/O BCRS ASSOCIATES, LLC 77 WATER STREET - 9TH FLOOR NEW YORK, NY 10005	DIR. CLASS B/PART-TIME	0	0	0
AARON DANIELS C/O BCRS ASSOCIATES, LLC 77 WATER STREET - 9TH FLOOR NEW YORK, NY 10005 PLEASE SEE ATTACHMENT - WRITTEN CONSENT IN LIEU OF MEETING OF THE BOARD OF DIRECTORS OF THE SUE AND EUGENE MERCY, JR. FOUNDATION	DIR. CLASS B/PART-TIME	0	0	0
	GRAND TOTALS	0	0	0

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

ATTACHMENT 11

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
SEC. 988(L) THRU GRANITE CAP OPP FD K-1			01	-332.	
TOTALS				-332.	

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

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

OMB No 1545-0092

2011

Name of estate or trust: THE SUE AND EUGENE MERCY, JR. FOUNDATION

Employer identification number: 13-6217050

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	-498,250.
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	-498,250.

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	472,457.
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	
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	472,457.

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

Part III Summary of Parts I and II

Caution: *Read the instructions* **before** *completing this part*

			(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			-498,250.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			472,457.
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			-25,793.

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 (3,000.)

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?

☐ **Yes.** Skip lines 25 and 26, go to line 27 and check the "No" box

☐ **No.** Enter the amount from line 23 . . . 25

26 Subtract line 25 from line 24 . . . 26

27 Are the amounts on lines 22 and 26 the same?

☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the smaller of line 17 or line 22 . . . 27

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 **Tax on all taxable income.** 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

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SCHEDULE D-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet 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.**

OMB No 1545-0092

2011

Name of estate or trust: THE SUE AND EUGENE MERCY, JR. FOUNDATION

Employer identification number: 13-6217050

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

(a) Description of property (Example 100 sh 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) Subtract (e) from (d)
1a STC(L) THRU GRANITE CAP OPP FD K-1	VAR	VAR			-498,250.

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b . . . . -498,250.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. **Schedule D-1 (Form 1041) 2011**

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

(a) Description of property (Example 100 sh 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) Subtract (e) from (d)
6a LOSS ON DISPOSITION OF GRANITE CAP OPP FD K-1	VAR	VAR	4,217,527.	4,222,892.	-5,365.
LTCG THRU GRANITE CAP OPP FD K-1	VAR	VAR			477,822.

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . 472,457.

Schedule D-1 (Form 1041) 2011

THE SUE AND EUGENE MERCY, JR. FOUNDATION
CHARITABLE CONTRIBUTIONS
EIN: 13-6217050
FYE 12/31/2011

DATE	CONTRIBUTION / CITY, STATE	AMOUNT
1/3/2011	VASSAR COLLEGE POUGHKEEPSIE, NY	1,000 00
1/4/2011	RUMSON COMMUNITY APPEAL RUMSON, NJ	500.00
2/2/2011	HARVARD UNIVERSITY - DAVIS CENTER BOSTON, MA	25,000.00
2/14/2011	SECOND STAGE THEATRE NEW YORK, NY	2,500.00
3/1/2011	MAINE AUDOBON SOCIETY FALMOUTH, ME	7,500 00
3/1/2011	THIRTEEN/WNET NEW YORK, NY	2,500.00
3/3/2011	AMERICAN JEWISH COMMITTEE NEW YORK, NY	2,500.00
3/3/2011	ADL NEW YORK, NY	2,500.00
3/3/2011	BACHMANN-STRAUSS DYSTONIA & PARKINSON FOUNDATION NEW YORK, NY	2,500.00
3/3/2011	BETH ISRAEL MEDICAL CENTER NEW YORK, NY	50,000.00
3/3/2011	BRAVO! VAIL VALLEY MUSIC FESTIVAL VAIL, CO	25,000 00
3/3/2011	HUMANITY IN ACTION NEW YORK, NY	25,000 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
CHARITABLE CONTRIBUTIONS
EIN: 13-6217050

FYE 12/31/2011

DATE	CONTRIBUTION / CITY, STATE	AMOUNT
3/3/2011	LEHIGH UNIVERSITY LEHIGH, PA	25,000 00
3/3/2011	LOOMIS CHAFFEE SCHOOL WINDSOR, CT	15,000 00
3/3/2011	MUSEUM OF MODERN ART NEW YORK, NY	15,000 00
3/3/2011	THE NEW YORK PHILHARMONIC SOCIETY NEW YORK, NY	25,000 00
3/3/2011	JOHN JAY COLLEGE OF CRIMINAL JUSTICE NEW YORK, NY	15,000 00
3/3/2011	PUBLICOLOR NEW YORK, NY	25,000.00
3/3/2011	SEEDS OF PEACE NEW YORK, NY	25,000.00
3/3/2011	UJA FEDERATION NEW YORK, NY	15,000 00
3/3/2011	UJA FEDERATION- GREATER MONMOUTH MANALAPAN, NJ	5,000.00
3/3/2011	CONNECTICUT COLLEGE NEW LONDON, CT	10,000 00
3/3/2011	YOUNG AUDIENCES - NY NEW YORK, NY	10,000.00
3/3/2011	VAIL VALLEY FOUNDATION VAIL, CO	10,000.00
3/3/2011	THE WASHINGTON INSTITUTE WASHINGTON, DC	5,000 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
CHARITABLE CONTRIBUTIONS
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
3/3/2011	BIG BROTHERS/BIG SISTERS OF NEW YORK NEW YORK, NY	10,000 00
3/3/2011	CENTRAL PARK CONSERVANCY NEW YORK, NY	15,000.00
3/3/2011	MONMOUTH MEDICAL CENTER FOUNDATION LONG BRANCH, NJ	10,000 00
3/3/2011	THE DOE FUND NEW YORK, NY	250.00
3/3/2011	RICHARD TUCKER MUSIC FOUNDATION NEW YORK, NY	500 00
3/3/2011	VAIL VALLEY INSTITUTE VAIL, CO	1,000.00
3/3/2011	THE LYMPHOMA FOUNDATION NEW YORK, NY	1,000.00
3/3/2011	COMMITTEE TO REDUCE INFECTION DEATHS NEW YORK, NY	1,000.00
3/3/2011	AMERICAN MUSEUM OF NATURAL HISTORY NEW YORK, NY	1,750.00
3/3/2011	APPALACHIAN MOUNTAIN CLUB BOSTON, MA	250.00
3/3/2011	MONMOUTH CONSERVATION FOUNDATION MIDDLETOWN, NJ	250 00
3/3/2011	CITY HARVEST NEW YORK, NY	250.00
3/3/2011	CHESS IN THE SCHOOLS NEW YORK, NY	1,000.00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
CHARITABLE CONTRIBUTIONS
EIN: 13-6217050
FYE 12/31/2011

DATE	CONTRIBUTION / CITY, STATE	AMOUNT
3/3/2011	THE GARDEN CONSERVANCY COLD SPRING, NY	500.00
3/3/2011	THE JEWISH MUSEUM NEW YORK, NY	3,000.00
3/3/2011	NEW YORK PUBLIC LIBRARY NEW YORK, NY	1,500.00
3/3/2011	METROPOLITAN MUSEUM OF ART NEW YORK, NY	2,000.00
3/3/2011	VAIL VALLEY MEDICAL CENTER VAIL, CO	1,000 00
3/3/2011	MANHATTAN INSTITUTE FOR POLICY RESEARCH NEW YORK, NY	1,000 00
3/3/2011	ALZHEIMER'S ASSOCIATION NEW YORK, NY	1,000.00
3/3/2011	YAMPA VALLEY LAND TRUST STEAMBOAT SPRINGS, CO	200 00
3/3/2011	THIRD STREET MUSIC SCHOOL SETTLEMENT NEW YORK, NY	250 00
3/3/2011	THE READING TEAM, INC NEW YORK, NY	200 00
3/3/2011	THE FUND FOR PARK AVENUE NEW YORK, NY	100.00
3/3/2011	STUDIO IN A SCHOOL NEW YORK, NY	200 00
3/3/2011	VISITING NURSE SERVICE OF NEW YORK NEW YORK, NY	5,000.00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
3/3/2011	WQXR NEWARK, NJ	25,000.00
4/5/2011	THE SARCOMA FOUNDATION OF AMERICA DAMASCUS, MD	200 00
4/7/2011	GUGGENHEIM MUSEUM NEW YORK, NY	1,750 00
4/7/2011	NEW YORK CITY BALLET NEW YORK, NY	5,000 00
4/7/2011	AMERICAN CANCER SOCIETY ATLANTA, GA	1,000 00
4/25/2011	CARNEGIE HILL NEIGHBORS NEW YORK, NY	1,000.00
5/2/2011	92ND STREET Y NEW YORK, NY	1,000 00
5/4/2011	RUMSON FIRST-AID SQUAD RUMSON, NJ	100 00
5/4/2011	BOTTOMLESS CLOSET NEW YORK, NY	1,500.00
5/4/2011	WHITNEY MUSEUM OF AMERICAN ART NEW YORK, NY	1,000.00
5/5/2011	THE NATURE CONSERVANCY ARLINGTON, VA	250 00
5/6/2011	KIDDO MILL VALLEY, CA	1,750.00
5/16/2011	BALANCED ROCK FOUNDATION BERKELEY, CA	750 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
5/18/2011	SUMMER SEARCH FOUNDATION SAN FRANCISCO, CA	2,500.00
5/20/2011	KIDDO MILL VALLEY, CA	3,000 00
5/25/2011	GREATER NY COUNCIL - BOY SCOUTS AMERICA NEW YORK, NY	500 00
5/27/2011	ALLEN-STEVENSON SCHOOL NEW YORK, NY	750 00
5/27/2011	BIG BROTHERS/BIG SISTERS OF NEW YORK NEW YORK, NY	750 00
5/27/2011	SEEDS OF PEACE NEW YORK, NY	800.00
6/1/2011	THE FRIENDS OF P.S. 169 NEW YORK, NY	100 00
6/1/2011	PREP FOR PREP NEW YORK, NY	500 00
6/1/2011	CENTRAL SYNAGOGUE NEW YORK, NY	2,630 00
6/1/2011	LEHIGH VALLEY ATHLETIC CLUB LEHIGH, PA	2,500 00
6/2/2011	NEW YORK HISTORICAL SOCIETY NEW YORK, NY	2,500 00
6/6/2011	CONNECTICUT COLLEGE NEW LONDON, CT	1,000 00
6/6/2011	JEWISH FAMILY & CHILDREN'S SERVICES ASBURY PARK, NJ	1,000 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
6/8/2011	OPENING ACT NEW YORK, NY	1,000 00
6/8/2011	JUMPSTART NEW YORK, NY	300 00
6/10/2011	COLUMBIA BUSINESS SCHOOL NEW YORK, NY	400 00
6/13/2011	UJA FEDERATION OF NY NEW YORK, NY	2,500.00
6/13/2011	THE FRICK COLLECTION NEW YORK, NY	600 00
6/15/2011	JOSEPH KUSHNER HEBREW ACADEMY LIVINGSTON, NJ	2,000 00
6/17/2011	MUSEUM OF ARTS AND DESIGN NEW YORK, NY	1,000.00
6/24/2011	LEE PESKY LEARNING CENTER BOISE, ID	1,000.00
7/8/2011	NEW YORK SERVICE FOR THE HANDICAPPED/AKA CAMP OAKHURST NEW YORK, NY	250 00
7/13/2011	LINCOLN CENTER FOR THE PERFORMING ARTS, INC. NEW YORK, NY	5,000.00
7/20/2011	THE GARDEN CONSERVANCY COLD SPRING, NY	360 00
7/25/2011	MONMOUTH DAY CARE CENTER RED BANK, NJ	500.00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
7/29/2011	NEW YORK SERVICE FOR THE HANDICAPPED/AKA CAMP OAKHURST NEW YORK, NY	500.00
8/24/2011	NATURAL RESOURCES COUNCIL OF MAINE, INC. AUGUSTA, ME	250 00
9/20/2011	WESTCHESTER GOLF ASSOCIATION CADDIE SCHOLARSHIP FUND, INC SCARSDALE, NY	250 00
9/20/2011	CANCER RESEARCH INSTITUTE NEW YORK, NY	1,000 00
9/20/2011	BALLET THEATRE FOUNDATION NEW YORK, NY	1,000.00
9/20/2011	ACKERMAN INSTITUTE FOR THE FAMILY NEW YORK, NY	1,000.00
9/23/2011	MONMOUTH UNIVERSITY WEST LONG BRANCH, NJ	1,000.00
9/27/2011	ODYSSEY FOUNDATION NEW YORK, NY	1,000.00
10/5/2011	RUMSON VOLUNTEER FIRE DEPARTMENT RUMSON, NJ	100 00
10/12/2011	THE SHANA FOUNDATION MONMOUTH BEACH, NJ	1,000.00
10/14/2011	LENOX HILL NEIGHBORHOOD HOUSE NEW YORK, NY	100 00
10/21/2011	HOUSING PLUS SOLUTIONS NEW YORK, NY	250 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
10/24/2011	VISITING NURSE SERVICE OF NEW YORK NEW YORK, NY	2,000.00
10/24/2011	JUVENILE DIABETES RESEARCH FOUNDATION/ AARON'S AWESOME CURE TEAM EATONTOWN, NJ	100 00
10/26/2011	TROUT UNLIMITED WOOLY BUGGER, WV	500 00
10/26/2011	CENTRAL SYNAGOGUE NEW YORK, NY	2,500 00
11/1/2011	NEW YORK PHILHARMONIC NEW YORK, NY	4,500 00
11/2/2011	CIVIC BUILDERS NEW YORK, NY	500.00
11/7/2011	CENTER FOR EDUCATIONAL INNOVATION - PUBLIC EDUCATION ASSOCIATION NEW YORK, NY	1,000.00
11/10/2011	WILDLIFE CONSERVATION SOCIETY BRONX, NY	1,000 00
11/15/2011	PUBLICOLOR NEW YORK, NY	1,499 17
11/15/2011	NY SERVICE FOR THE HANDICAPPED NEW YORK, NY	10,000.00
11/21/2011	THE NOGUCHI MUSEUM LONG ISLAND CITY, NY	500 00
11/29/2011	POLICEMANS BENEVOLENT ASSOCIATION RUMSON, NJ	100.00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
12/7/2011	THE NATURE CONSERVANCY BOULDER, CO	200 00
12/7/2011	EAGLE VALLEY LAND TRUST EDWARDS. CO	250.00
12/8/2011	LEARNING LEADERS NEW YORK, NY	2,500.00
12/8/2011	COLORADO PUBLIC RADIO CENTENNIAL, CO	200.00
12/13/2011	HEAVENLY REST CHURCH NEW YORK, NY	500.00
12/13/2011	THE ROCKEFELLER UNIVERSITY NEW YORK, NY	1,500.00
12/15/2011	GRAND STREET SETTLEMENT NEW YORK, NY	1,000 00
12/15/2011	2011 SOCIETY ANNUAL APPEAL - MEMORIAL SLOAN KETTERING CANCER CENTER NEW YORK. NY	1,000.00
12/20/2011	RUMSON COMMUNITY APPEAL RUMSON, NJ	250.00
12/20/2011	STEADMAN PHILIPPON RESEARCH INSTITUTE VAIL, CO	1,000.00
12/6/2011	THE ST SIMONS LAND TRUST ST SIMONS ISLAND, GA	1,000.00
12/23/2011	THE SOCIETY OF MEMORIAL SLOAN KETTERING CANCER CENTER NEW YORK, NY	4,000 00
12/30/2011	PARK AVENUE ARMORY NEW YORK NY	100 00

THE SUE AND EUGENE MERCY, JR. FOUNDATION
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DATE	CONTRIBUTION / CITY, STATE	AMOUNT
12/6/2011	PANCREAS CENTER AT COLUMBIA UNIVERSITY MEDICAL CENTER NEW YORK, NY	1,000 00
	TOTAL CONTRIBUTIONS PAID *	524,589 17

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

THE SUE AND EUGENE MERCY, JR. FOUNDATION
EIN: 13-6217050
FYE 12/31/11

FORM 990-PF

SCHEDULE OF SUSPENDED PAL:

	CURRENT YEAR PASSIVE GAINS	CURRENT YEAR PASSIVE LOSSES	NET PASSIVE LOSSES	TOTAL SUSPENDED PASSIVE LOSSES
12/31/2009	0	(671)	(671)	(671)
12/31/2010	0	0	0	(671)
12/31/2011	0	0	0	(671)

Goldman Sachs

Statement Detail

SUE & EUGENE JR MERCY FDN

Holdings

Period Ended December 31, 2011

MONEY MARKET FUNDS

	Quantity	Market Price	Market Value	Unit Cost	Original Cost	Unrealized Gain (Loss)	Yield to Maturity / Current Yield	Estimated Annual Income
MONEY MARKET FUNDS								
MONEY MARKET FUNDS								
GS FINANCIAL SQUARE FEDERAL FUND - FST SHARES Moody's Aaa	278,892 220	1 0000	278,892 22	1 0000	278,892 22	0 00	0.0100	27 89
TOTAL MONEY MARKET FUNDS			278,892.22		278,892.22	0.00		
TOTAL PORTFOLIO			278,892.22		278,892.22			

LONG POSITION STATEMENT PAGE ONE OF ONE