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 , **and ending**

Name of foundation: TOWER FAMILY FUND, INC.

A Employer identification number: 20-5848514

Number and street (or P O box number if mail is not delivered to street address) / Room/suite: BRISBANE BLDG, BOX 23, 403 MAIN ST

B Telephone number: 716-834-9181

City or town, state, and ZIP code: BUFFALO, NY 14203-2140

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)* ▶$ 33,183,159.

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 ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc, received	2,186,467.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	15,486.	15,486.		STATEMENT 2
	4 Dividends and interest from securities	751,057.	751,057.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,511,551.			STATEMENT 1
	b Gross sales price for all assets on line 6a 21,395,238.				
	7 Capital gain net income (from Part IV, line 2)		2,090,468.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total. Add lines 1 through 11	4,464,561.	2,857,011.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	86,683.	28,894.		57,789.
	b Accounting fees STMT 5	17,950.	8,975.		8,975.
	c Other professional fees STMT 6	119,973.	119,973.		0.
	17 Interest	3.	3.		0.
	18 Taxes STMT 7	55,457.	6,766.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 8	3,854.	0.		3,854.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	283,920.	164,611.		70,618.
	25 Contributions, gifts, grants paid	1,067,806.			1,067,806.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,351,726.	164,611.		1,138,424.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	3,112,835.			
	b **Net investment income** (if negative, enter -0-)		2,692,400.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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09410222 783816 E0-8157-83 2011.02060 TOWER FAMILY FUND, INC. E0-81501

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	989,784.	1,859,932.	1,859,932.
	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			
	7 Other notes and loans receivable ▶ 1,515,000.			
	Less allowance for doubtful accounts ▶ 0.	1,500,000.	1,515,000.	1,515,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations	1,630,338.		
	b Investments - corporate stock STMT 9	705,264.	2,524,884.	2,361,555.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	23,152,416.	25,184,612.	27,415,252.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ DUE FROM BROKER)	25,211.	31,420.	31,420.
	16 **Total assets** (to be completed by all filers)	28,003,013.	31,115,848.	33,183,159.
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			
	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 ▶ ☐ 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 ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	28,003,013.	31,115,848.	
	30 **Total net assets or fund balances**	28,003,013.	31,115,848.	
	31 **Total liabilities and net assets/fund balances**	28,003,013.	31,115,848.	

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	28,003,013.
2	Enter amount from Part I, line 27a	2	3,112,835.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	31,115,848.
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	31,115,848.

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12-02-11

09410222 783816 E0-8157-83 2011.02060 TOWER FAMILY FUND, INC. E0-81501

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	CITIGROUP GLOBAL MKTS - SEE ATTACHMENT D			
b	CITIGROUP GLOBAL MKTS - SEE ATTACHMENT E			
c	CITIGROUP GLOBAL MKTS - SEE ATTACHMENT C			
d	CAPITAL GAINS DIVIDENDS			
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	301,762.		270,375.	31,387.
b	20,556,610.		18,715,700.	1,840,910.
c	507,828.		318,695.	189,133.
d	29,038.			29,038.
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				31,387.
b				1,840,910.
c				189,133.
d				29,038.
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	2,090,468.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	2,798,653.	29,590,881.	.094578
2009	1,418,343.	26,464,833.	.053593
2008	1,098,032.	24,834,772.	.044213
2007	56,002.	8,002,318.	.006998
2006	0.	1,768,191.	.000000

2 Total of line 1, column (d)	2	.199382
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	.039876
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	32,283,007.
5 Multiply line 4 by line 3	5	1,287,317.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	26,924.
7 Add lines 5 and 6	7	1,314,241.
8 Enter qualifying distributions from Part XII, line 4	8	1,153,424.

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 c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		1	53,848.
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	53,848.
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	53,848.
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 53,190.		
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	53,190.
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	658.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶	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 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? N/A	4b		
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 STMT 11	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 ▶ LUMSDEN & MCCORMICK, LLP Telephone no ▶ 716-856-3300
Located at ▶ 403 MAIN STREET, SUITE 430, BUFFALO, NY ZIP+4 ▶ 14203

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 N/A

			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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____			
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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

			Yes	No
5a During the year did the foundation pay or incur any amount to				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b		
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?	N/A	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.

(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
PETER TOWER BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
MOLLIE T. BYRNES BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	SECRETARY, DIRECTOR 1.00	0.	0.	0.
CYNTHIA T. DOYLE BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	TREASURER, DIRECTOR 1.00	0.	0.	0.
JOHN N. BLAIR BRISBANE BLDG, BOX 23, 403 MAIN ST BUFFALO, NY 142032140	VP, DIRECTOR 1.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY SMITH BARNEY - 50 FOUNTAIN PLAZA, KEY CENTER, SUITE 800, BUFFALO, NY	INVESTMENT ADVISORY	110,227.
BLAIR & ROACH, LLP 2645 SHERIDAN DRIVE, TONAWANDA, NY 14150	LEGAL FEES	86,683.
Total number of others receiving over $50,000 for professional services ▶		0

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**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 LOAN TO YMCA OF MARTHA'S VINEYARD	15,000.
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	15,000.

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	30,801,186.
b	Average of monthly cash balances	1b	1,973,440.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	32,774,626.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	32,774,626.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	491,619.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	32,283,007.
6	**Minimum investment return.** Enter 5% of line 5	6	1,614,150.

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	1,614,150.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 53,848.		
b	Income tax for 2011 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	53,848.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,560,302.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,560,302.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,560,302.

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	1,138,424.
b	Program-related investments - total from Part IX-B	1b	15,000.
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	1,153,424.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,153,424.

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				1,560,302.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010 1,156,349.				
f **Total** of lines 3a through e	1,156,349.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 1,153,424.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				1,153,424.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	406,878.			406,878.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	749,471.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	749,471.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010 749,471.				
e Excess from 2011				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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))

PETER TOWER

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 ▶ [X] 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				
ASPCA 424 E. 92ND STREET NEW YORK, NY 10128		501 (C)(3)	CHARITABLE	2,000.
BUFFALO PHILHARMONIC ORCHESTRA 499 FRANKLIN STREET BUFFALO, NY 14202		501 (C)(3)	CHARITABLE	25,000.
BURCHFIELD-PENNEY ART CENTER 1300 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHALLENGE GRANT	162,806.
COUNTY OF DUKES COUNTY PO BOX 190 EDGARTOWN, MA 02539		501 (C)(3)	CHARITABLE	5,000.
DOCTORS WITHOUT BORDERS PO BOX 5030 HAGERSTOWN, MD 21741		501 (C)(3)	CHARITABLE	2,500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	1,067,806.
b Approved for future payment NONE				
Total			▶ 3b	0.

Form **990-PF** (2011)

123611 12-02-11

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
GLOUCESTER FISHERMAN ATHLETIC ASSOCIATION PO BOX 3010 GLOUCESTER, MA 01930		501 (C)(3)	CHARITABLE	25,000.
GLOUCESTER STAGE CO. 267 EAST MAIN STREET GLOUCESTER, MA 01930		501 (C)(3)	CHARITABLE	25,000.
GOSNOLD INC. 200 TER HEUN DRIVE FALMOUTH, MA 02540		501 (C)(3)	CHARITABLE	5,000.
HEIFER INTERNATIONAL PO BOX 8058 LITTLE ROCK, AR 72203		501 (C)(3)	CHARITABLE	5,000.
ISLAND GROWN INITIATIVE PO BOX 698 VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	5,000.
LIFT/NATIONAL STUDENT PARTNERSHIP 800 7TH STREET NW, SUITE 300 WASHINGTON, DC 20001		501 (C)(3)	CHARITABLE	50,000.
MASSACHUSETTS GENERAL HOSPITAL 165 CAMBRIDGE STREET, SUITE 600 BOSTON, MA 02114		501 (C)(3)	CHARITABLE	25,000.
MEDIA VOICES FOR CHILDREN 110 DAGGETT AVENUE VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	5,000.
NEW PROFIT INC. 2 CANAL PARK CAMBRIDGE, MA 02141		501 (C)(3)	CHARITABLE	200,000.
OXFAM AMERICA 226 CAUSEWAY STREET, 5TH FLOOR BOSTON, MA 02114		501 (C)(3)	CHARITABLE	2,500.
Total from continuation sheets				870,500.

123631 08-03-11

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

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
PATHWAYS FOR CHILDREN 29 EMERSON AVENUE GLOUCESTER, MA 01930		501 (C)(3)	CHARITABLE	60,000.
PEER HEALTH EXCHANGE, INC. 545 SANSOME STREET, SUITE 900 SAN FRANCISCO, CA 94111		501 (C)(3)	CHARITABLE	50,000.
ROCKPORT MUSIC INC. 21 BROADWAY, SUITE B ROCKPORT, MA 01966		501 (C)(3)	CHARITABLE	125,000.
STAND FOR CHILDREN LEADERSHIP CENTER 516 SE MORISON STREET STE 420 PORTLAND, OR 97211		501 (C)(3)	CHARITABLE	50,000.
THE SALVATION ARMY PO BOX 628 HARTFORD, CT 06105		501 (C)(3)	CHARITABLE	2,500.
THE SALVATION ARMY - BUFFALO AREA SERVICES 960 MAIN STREET BUFFALO, NY 14202		501 (C)(3)	CHARITABLE	5,000.
VISTA VOCATIONAL & LIFE SKILLS CENTER 1356 OLD CLINTON ROAD WESTBROOK, CT 06498		501 (C)(3)	CHARITABLE	500.
YMCA OF MARTHA'S VINEYARD 111R EDGARTOWN VINEYARD HAVEN RD VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	25,000.
KIPP ACADEMY LYNN 25 BESSOM STREET LYNN, MA 01902		501 (C)(3)	CHARITABLE	25,000.
BUFFALO ZOO 300 PARKSIDE AVENUE BUFFALO, NY 14214		501 (C)(3)	CHARITABLE	25,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
BURCHFIELD-PENNEY ART CENTER 1300 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHARITABLE	25,000.
HEALTH LEADS, INC. 2 OLIVER STREET, 10TH FLOOR BOSTON, MA 02109		501 (C)(3)	CHARITABLE	50,000.
CAPE ANN SYMPHONY PO BOX 1343 GLOUCESTER, MA 01931		501 (C)(3)	CHARITABLE	10,000.
ALBRIGHT-KNOX ART GALLERY 1285 ELMWOOD AVENUE BUFFALO, NY 14222		501 (C)(3)	CHARITABLE	25,000.
VINEYARD MONTESSORI SCHOOL 286 MAIN STREET VINEYARD HAVEN, MA 02568		501 (C)(3)	CHARITABLE	10,000.
BROWN UNIVERSITY PO BOX 1828 PROVIDENCE, RI 02912		501 (C)(3)	CHARITABLE	5,000.
THE TRUSTEES OF RESERVATIONS 572 ESSEX STREET BEVERLY, MA 01915		501 (C)(3)	CHARITABLE	30,000.
Total from continuation sheets				

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
	(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	15,486.	
4 Dividends and interest from securities			14	751,057.	
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	1,511,551.	
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)		0.		2,278,094.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 2,278,094.

(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)

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	

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

John N. Blair, VP | 2/24/12 | VICE PRESIDENT

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	DALE B. DEMYANICK		2/22/12		P00155344
	Firm's name ▶ LUMSDEN & MCCORMICK, LLP			Firm's EIN ▶ 16-0765486	
	Firm's address ▶ 403 MAIN ST. SUITE 430 BUFFALO, NY 14203			Phone no (716)856-3300	

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization
TOWER FAMILY FUND, INC.

Employer identification number
20-5848514

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions.

General Rule

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

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year. ▶ $ ____________

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

Name of organization	Employer identification number
TOWER FAMILY FUND, INC.	20-5848514

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	PETER TOWER, INC. 50 MUIRFIELD ROAD EAST AURORA, NY 14052	$ 2,184,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
TOWER FAMILY FUND, INC.	20-5848514

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	25,000 SHARES M&T BANK CORP	$ 2,184,000.	03/25/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization: TOWER FAMILY FUND, INC.

Employer identification number: 20-5848514

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

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

ATTACHMENT A

MorganStanley
SmithBarney

Reserved
Client Statement

December 1 - December 31, 2011

EIN 20-5848514 **TOWER FAMILY FUND INC.** ***Account number 356-73533-17 640***

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
300	PERNOD-RICARD ORD-EUR EURO #9962 Exchange rate 1 2939000 Shares traded in EURO Monetary Unit	PDRDF	10/21/11	$ 28,018 44	$ 93.394	$ 92 72	$ 27,816 00	($ 202 44) ST		
150	AMC NETWORKS INC-A	AMCX	11/19/10	5,097 66	33.984	37 58	5,637 00	539 34 LT		
150			10/21/11	5,105 55	34 037	37 58	5,637 00	531 45 ST		
300				10,203 21	34 011		11,274 00	1,070 79		
1,000	ALCOA INC	AA	10/21/11	10,116 90	10 116	8 65	8,650 00	(1,466 90) ST	1 387	120 00
500	AMERICAN EXPRESS CO	AXP	01/27/11	22,124.85	44 249	47 17	23,585.00	1,460 15 ST	1.526	360 00

ATTACHMENT A

MorganStanley
SmithBarney

Reserved
Client Statement

December 1 - December 31, 2011

EIN 20-5848514 ***TOWER FAMILY FUND INC.*** ***Account number 356-73533-17 640***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	AMPCO-PITTSBURGH CORP	AP	10/21/11	$ 11,454 95	$ 22 909	$ 19 34	$ 9,670 00	($ 1,784 95) ST	3 722%	$ 360 00
1,000	BANK NEW YORK MELLON CORP	BK	03/15/10	29,900 00	29 90	19 91	19,910 00	(9,990 00) LT		
400			10/21/11	8,222 76	20 556	19 91	7,964 00	(258 76) ST		
1,400				38,122 76	27 231		27,874 00	(10,248 76)	2 611	728 00
400	BEAM INC	BEAM	10/21/11	19,682 12	49 205	51 23	20,492 00	809.88 ST	1 483	304 00
2,000	CTS CORP	CTS	05/14/08	21,498 00	10 749	9 20	18,400 00	(3,098 00) LT	1 521	280 00
600	CABLEVISION SYSTEMS CORP	CVC	11/19/10	13,466 28	22 443	14 22	8,532 00	(4,934 28) LT		
400	CABLEVISION NY GROUP CL A		08/10/11	6,748 48	16 871	14 22	5,688 00	(1,060 48) ST		
1,000				20,214 76	20 215		14,220 00	(5,994 76)	4 219	600 00
1,000	CRANE CO DELAWARE	CR	01/27/11	45,132 00	45 132	46 71	46,710 00	1,578 00 ST	2 226	1,040 00
300	DIAGEO PLC SPON ADR-NEW	DEO	10/21/11	25,407 00	84 69	87 42	26,226 00	819 00 ST	2 968	778.50
400	FLOWSERVE CORP	FLS	10/28/02	35,912 00	89 78	99 32	39,728 00	3,816 00* LT	1.288	512 00
600	GENUINE PARTS CO	GPC	01/27/11	30,978 00	51 63	61 20	36,720 00	5,742 00 ST	2 941	1,080 00
400	GOODRICH CORP	GR	10/21/11	48,902 76	122 256	123 70	49,480 00	577 24 ST	937	464 00
1,000	GRAFTECH INTERNATIONAL LTD	GTI	11/13/08	5,219 20	5 219	13 65	13,650 00	8,430 80 LT		
1,000			11/26/08	6,256 70	6 256	13 65	13,650 00	7,393 30 LT		
2,000				11,475 90	5 738		27,300 00	15,824.10		
1,000	GRIFFON CORP	GFF	12/21/09	11,770 00	11 77	9 13	9,130 00	(2,640 00) LT	876	80 00
1,000	INTERNAP NETWORK SERVICES CORP	INAP	04/20/11	7,017 70	7 017	5 94	5,940.00	(1,077 70) ST		
348	JPMORGAN CHASE & CO	JPM	06/02/08	15,111 56	43 43	33 25	11,571 00	(3,540 56) LT		
300			01/21/09	5,772 00	19 24	33 25	9,975 00	4,203 00 LT		
200			03/26/09	5,800 00	29 00	33 25	6,650 00	850 00 LT		
848				26,683 56	31 466		28,196 00	1,512 44	3 007	848.00
1,000	KRAFT FOODS INC CLASS A	KFT	03/15/10	29,528 00	29 528	37 36	37,360 00	7,832 00 LT	3 104	1,160 00
400	LAS VEGAS SANDS CORP	LVS	04/20/11	18,446 80	46 117	42 73	17,092 00	(1,354 80) ST		
500	MAKO SURGICAL CORP	MAKO	04/20/11	13,197 50	26 395	25 21	12,605 00	(592 50) ST		
2,500	MEDIA GENERAL INC CL A	MEG	04/15/11	14,397.00	5 758	4 07	10,175 00	(4,222.00) ST		
400	NATIONAL FUEL GAS CO	NFG	12/14/09	19,767 48	49 418	55 58	22,232 00	2,464 52 LT	2 554	568 00

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Reserved Client Statement

December 1 - December 31, 2011

EIN· 20-5848514 **TOWER FAMILY FUND INC.** **Account number 356-73533-17 640**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,000	NEWS CORP CLASS A NEW	NWSA	07/23/90	**$ 42,980.00**	$ 21 49	$ 17 84	**$ 35,680 00**	**($ 7,300 00)*** LT	**1 065 %**	**$ 380 00**
1,500	PNM RESOURCES INC	PNM	02/11/08	21,381 00	14 254	18 23	27,345 00	5,964 00* LT		
500			03/07/08	4,735 00	9 47	18 23	9,115 00	4,380 00* LT		
1,000			10/09/08	9,049 00	9 049	18 23	18,230 00	9,181 00 LT		
3,000				**35,165 00**	**11 722**		**54,690 00**	**19,525 00**	**2.742**	**1,500 00**
200	S L INDUSTRIES INC	SLI	05/14/08	2,793 00	13 965	16 20	3,240 00	447 00 LT		
500			12/14/09	3,878 55	7 757	16 20	8,100 00	4,221 45 LT		
700				**6,671 55**	**9 531**		**11,340 00**	**4,668 45**		
500	TELEPHONE & DATA SYSTEMS INC	TDS	05/14/08	21,719 25	43 438	25 89	12,945 00	(8,774 25) LT		
400			08/26/08	14,840 00	37 10	25 89	10,356 00	(4,484 00) LT		
600			09/15/08	21,033 12	35 055	25 89	15,534.00	(5,499 12) LT		
500			10/21/11	11,158 25	22 316	25 89	12,945.00	1,786 75 ST		
2,000				**68,750 62**	**34.375**		**51,780.00**	**(16,970 62)**	**1.815**	**940 00**
1,000	THOMAS & BETTS CORP	TNB	10/16/00	**50,990 00**	50 99	54 60	**54,600 00**	**3,610 00*** LT		
2,000	TREDEGAR CORP	TG	05/14/08	**29,052 00**	14 526	22 22	**44,440 00**	**15,388 00** LT	**81**	**360 00**
1,000	UNITED STATES CELLULAR CORP	USM	09/18/08	**46,476 50**	46 476	43 63	**43,630 00**	**(2,846 50)** LT		
300	VIACOM INC CL A NEW	VIA	12/21/07	13,185 12	43 95	53 33	15,999 00	2,813 88* LT		
300			09/15/08	8,015 10	26 717	53 33	15,999 00	7,983 90 LT		
400			09/18/08	10,360 00	25 90	53 33	21,332 00	10,972 00 LT		
1,000				**31,560 22**	**31 56**		**53,330 00**	**21,769 78**	**1.875**	**1,000.00**
2,500	WELLS FARGO & CO NEW	WFC	04/18/08	**77,026.50**	30 81	27 56	**68,900 00**	**(8,126.50)** LT	**1.741**	**1,200 00**
Total common stocks and options				**$ 908,724.08**			**$ 949,265.00**	**$ 1,283.94 ST**	**1.54**	
								$ 39,256.98 LT		**$ 14,662 50**

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December 1 - December 31, 2011

EIN: 20-5848514 *TOWER FAMILY FUND INC.* ***Account number 356-73534-16 540***

Exchange traded & closed end funds

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
8,975	ISHARES S&P LATIN AMERICA 40	ILF	11/04/11	$ 407,457 82	$ 45 399	$ 42 57	$ 382,065.75	($ 25,392 07) ST		
4,670	INDEX FUND		12/02/11	204,919 60	43 88	42 57	198,801.90	(6,117 70) ST		
13,645	Equity portfolio			**612,377 42**	**44 879**		**580,867.65**	**(31,509 77)**	**3.298**	**19,157.58**
11,585	ISHARES TR S&P MIDCAP 400	IJH	02/25/09	543,434 98	46.908	87 61	1,014,961 85	471,526 87 LT		
2,000	INDEX FD		03/11/09	86,732 00	43 366	87 61	175,220 00	88,488 00 LT		
1,480	Equity portfolio		06/18/10	114,700 00	77 50	87 61	129,662 80	14,962 80 LT		
15,065				**744,866 98**	**49 444**		**1,319,844 65**	**574,977 67**	**1 272**	**16,797.48**
11,685	ISHARES RUSSELL 1000 INDEX	IWB	02/02/11	847,863 60	72 56	69 37	810,588 45	(37,275 15) ST		
7,425	FD		02/10/11	542,396 25	73 05	69 37	515,072 25	(27,324 00) ST		
19,865	Equity portfolio		08/10/11	1,251,290 39	62 989	69 37	1,378,035 05	126,744 66 ST		
38,975				**2,641,550.24**	**67 776**		**2,703,695.75**	**62,145.51**	**1 934**	**52,304.45**
5,415	ISHARES RUSSELL 2000 INDEX FD	IWM	04/11/08	376,291 06	69 49	73 75	399,356 25	23,065 19 LT		
2,000	Equity portfolio		10/30/08	100,090 20	50 045	73 75	147,500 00	47,409 80 LT		
3,000			03/11/09	110,268 00	36 756	73 75	221,250.00	110,982 00 LT		
10,415				**586,649.26**	**56 327**		**768,106 25**	**181,456.99**	**1 396**	**10,727 45**
22,430	ISHARES R3000 GROWTH INDEX FD Equity portfolio	IWZ	12/03/10	**1,033,547.04**	46 08	47 19	**1,058,471 70**	**24,897.30** LT	**1 311**	**13,884.17**
6,405	ISHARES DOW JONES U S TECH	IYW	10/27/10	394,092 60	61 528	63 90	409,279 50	15,186 90 LT		
10,200	INDEX FD		11/05/10	649,536 00	63 68	63 90	651,780 00	2,244 00 LT		
16,605	Equity portfolio			**1,043,628 60**	**62 85**		**1,061,059 50**	**17,430 90**	**.607**	**6,442.74**
6,155	ISHARES TR S&P SM CAP 600 INDX	IJR	10/25/11	402,767 81	65 437	68 30	420,386 50	17,618.69 ST		
2,705	FUND		10/28/11	187,673 98	69 38	68 30	184,751 50	(2,922 48) ST		
3,180	Equity portfolio		11/04/11	215,614 18	67 803	68 30	217,194 00	1,579 82 ST		
3,005			12/08/11	200,575 04	66 747	68 30	205,241 50	4,666 46 ST		
15,045				**1,006,631.01**	**66 908**		**1,027,573.50**	**20,942.49**	**1.024**	**10,531.50**
33,730	MARKET VECTORS JUNIOR GOLD MINERS ETF Equity portfolio	GDXJ	12/20/11	**895,555.11**	26 55	24 70	**833,131.00**	**(62,424.11)** ST	**4.906**	**40,880.76**

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December 1 - December 31, 2011

EIN 20-5848514 *TOWER FAMILY FUND INC.* ***Account number 356-73534-16 540***

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
22,530	SPDR INDEX SHS FDS S&P INTL SMALL CAP ETF Equity portfolio	GWX	08/05/10	**$ 597,916 91**	$ 26 538	$ 25 17	**$ 567,080 10**	**($ 30,836 81)** LT	**3 253%**	**$ 18,452.07**
13,860	SPDR SER TR S&P PHARMACEUTICALS ETF Equity portfolio	XPH	12/02/10	**621,898 20**	44 87	51 33	**711,433.80**	**89,535 60** LT	**891**	**7,054.74**
32,130	SPDR SER TR S&P OIL & GAS EQUIP & SVCS ETF Equity portfolio	XES	10/16/09	**970,509.14**	30 205	34.66	**1,113,625.80**	**143,116 66** LT	**.285**	**3,180.87**
10,255	SPDR SER TR S&P BIOTECH ETF Equity portfolio	XBI	12/02/10	**622,170 85**	60 67	66 40	**680,932 00**	**58,761 15** LT	**.003**	**20.51**
23,735	SPDR SER TR S&P HOMEBUILDERS ETF Equity portfolio	XHB	12/07/11	**407,418 40**	17.165	17 10	**405,868.50**	**(1,549 90)** ST	**888**	**3,607.72**
34,535	SEL SECT SPDR CONSUMER STAPLES Equity portfolio	XLP	08/02/11	**1,050,205 90**	30 409	32 49	**1,122,042 15**	**71,836.25** ST	**2 726**	**30,598.01**
10,230	SEL SECT SPDR CONS DISCRETION	XLY	10/25/11	404,076 82	39 499	39 02	399,174 60	(4,902 22) ST		
7,920	CONSUMER DISCRETIONARY		10/28/11	314,571 31	39 718	39 02	309,038 40	(5,532 91) ST		
7,255	Equity portfolio		12/07/11	286,500 68	39 49	39 02	283,090 10	(3,410 58) ST		
25,405				**1,005,148 81**	**39 565**		**991,303 10**	**(13,845 71)**	**1 555**	**15,420 84**
9,340	SELECT SECTOR SPDR-ENERGY Equity portfolio	XLE	08/18/11	**600,820 72**	64 327	69 13	**645,674 20**	**44,853 48** ST	**1 534**	**9,909.74**
805	VANGUARD MSCI EMERGING MKTS	VWO	04/11/08	39,260 37	48 77	38 21	30,759 05	(8,501 32) LT		
3,330	ETF		10/30/08	81,348 90	24 429	38 21	127,239.30	45,890 40 LT		
1,205	Equity portfolio		11/05/08	31,171 66	25 868	38.21	46,043.05	14,871 39 LT		
17,835			11/06/08	461,366 48	25 868	38 21	681,475 35	220,108 87 LT		
960			02/20/09	19,764 48	20 588	38 21	36,681 60	16,917 12 LT		
4,000			03/11/09	84,754 80	21 188	38 21	152,840 00	68,085 20 LT		
1,010			04/17/09	27,466 55	27 194	38 21	38,592.10	11,125 55 LT		
8,710			07/14/10	351,799 51	40.39	38 21	332,809 10	(18,990 41) LT		
37,855				**1,096,932 75**	**28 977**		**1,446,439 55**	**349,506 80**	**2 371**	**34,296 63**
13,785	VANGUARD REIT ETF	VNQ	08/28/09	539,239 60 *R*	39 365	58 00	799,530 00	260,290 40 LT		
8,250	Equity portfolio		12/17/09	361,424 89 *R*	43 953	58 00	478,500 00	117,075 11 LT		
22,035				**900,664 49**	**40 874**		**1,278,030.00**	**377,365 51**	**3.534**	**45,171.75**
6,085	WISDOMTREE MANAGED FUTURES STRETEGY FUND Equity portfolio	WDTI	10/19/11	**283,156 35**	46.533	45 23	**275,224.55**	**(7,931 80)** ST		

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Reserved Client Business FMA Statement

December 1 - December 31, 2011

EIN 20-5848514 *TOWER FAMILY FUND INC.* ***Account number 356-73534-16 540***

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
21,055	WISDOMTREE TR DIVID EX FINANCIALS FUND Equity portfolio	DTN	08/12/11	**$ 979,453 33**	$ 46 518	$ 52 00	**$ 1,094,860 00**	**$ 115,406 67** ST	**3 155%**	**$ 34,551 26**
22,850	ALLIANCEBERNSTEIN INCOME FUND INC Taxable bond portfolio	ACG	01/31/11	178,335 11	7 804	8.07	184,399 50	6,064 39 ST		
4,032			09/19/11	32,488 65	8 057	8 07	32,538 24	49 59 ST		
118 0124	Reinvestments to date			914 00	7 744	8 07	952 36	38 36 ST		
27,000 0124				**211,737 76**	**7 842**		**217,890 10**	**6,152 34**	**5.947**	**12,960 01**
700	ISHARES BARCLAYS TREAS INFLATION PROTECTED SECS FD Taxable bond portfolio	TIP	04/15/08	75,787 83 *R*	108 839	116.69	81,683.00	5,895 17 LT		
1,100			10/30/08	102,341 73 *R*	93.609	116 69	128,359 00	26,017 27 LT		
1,500			04/17/09	150,068 19 *R*	100 55	116 69	175,035 00	24,966 81 LT		
1,000			05/19/09	100,883 49 *R*	101 30	116 69	116,690 00	15,806 51 LT		
125			05/21/09	12,602 56 *R*	101 237	116 69	14,586 25	1,983 69 LT		
775			07/27/10	81,816 36	105 569	116 69	90,434 75	8,618 39 LT		
300			10/13/10	33,467 40	111 558	116 69	35,007 00	1,539 60 LT		
5,500				**556,967 56**	**101 267**		**641,795 00**	**84,827 44**	**4 099**	**26,312 00**
1,850	ISHARES BARCLAYS US AGGR BOND FD Taxable bond portfolio	AGG	04/15/08	189,254 82	102 299	110 25	203,962 50	14,707 68 LT		
1,050			07/27/10	112,759 50	107 39	110 25	115,762 50	3,003 00 LT		
500			10/13/10	54,279 00	108 558	110 25	55,125 00	846 00 LT		
1,650			09/19/11	181,780 50	110 17	110 25	181,912 50	132 00 ST		
5,050				**538,073 82**	**106 549**		**556,762 50**	**18,688 68**	**2 861**	**15,932.75**
1,500	ISHARES IBOXX $ INVESTOP INVESTMENT GRADE CORP FD FD Taxable bond portfolio	LQD	10/13/10	**169,308.00**	112 872	113 76	**170,640 00**	**1,332 00** LT	**4.389**	**7,491 00**
1,100	ISHARES BARCLAYS 1-3 YEAR TREAS BOND FUND Taxable bond portfolio	SHY	04/15/08	**92,124 89**	83 749	84 50	**92,950 00**	**825 11** LT	**.81**	**753 50**
1,800	ISHARES JP MORGAN EM BOND FD Taxable bond portfolio	EMB	10/30/08	125,834 04	69 907	109 75	197,550 00	71,715 96 LT		
1,000			01/07/09	87,941 20	87 941	109 75	109,750 00	21,808 80 LT		
2,000			04/17/09	180,476 60	90 238	109 75	219,500 00	39,023 40 LT		
500			05/19/09	46,990 00	93 98	109 75	54,875 00	7,885 00 LT		
750			07/28/10	80,565 00	107 42	109 75	82,312 50	1,747 50 LT		
500			10/13/10	56,818 00	113 636	109 75	54,875 00	(1,943 00) LT		
1,500			09/19/11	163,890 00	109 26	109 75	164,625.00	735 00 ST		
8,050				**742,514 84**	**92 238**		**883,487 50**	**140,972.66**	**4.831**	**42,689.15**

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Reserved Client Business FMA Statement

December 1 - December 31, 2011

EIN. 20-5848514 *TOWER FAMILY FUND INC.* ***Account number 356-73534-16 540***

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,370	ISHARES BARCLAYS MBS BOND FD	MBB	09/16/11	$ 257,057 31	$ 108 463	$ 108 07	$ 256,125 90	($ 931 41) ST		
555	Taxable bond portfolio		09/19/11	60,295 14	108 639	108 07	59,978 85	(316 29) ST		
2,925				**317,352.45**	**108.497**		**316,104.75**	**(1,247.70)**	**3 332**	**10,532.93**
2,800	ISHARES BARCLAYS INTERMEDIATE	CIU	04/17/09	266,000 00	95 00	107 18	300,104 00	34,104 00 LT		
500	CR BD FD		05/19/09	48,537 40	97 074	107 18	53,590 00	5,052 60 LT		
1,250	Taxable bond portfolio		07/27/10	132,799 25	106 239	107 18	133,975 00	1,175 75 LT		
1,000			10/13/10	108,349 00	108 349	107 18	107,180 00	(1,169 00) LT		
3,700			09/19/11	399,591 86	107 997	107 18	396,566 00	(3,025 86) ST		
9,250				**955,277.51**	**103 273**		**991,415 00**	**36,137.49**	**3.718**	**36,870.50**
3,800	ISHARES BARCLAYS 1-3 YR CD	CSJ	07/27/10	397,404 00	104 58	104 20	395,960 00	(1,444 00) LT		
1,000	BD FD		10/13/10	105,109 00	105 109	104 20	104,200 00	(909 00) LT		
3,800	Taxable bond portfolio		09/19/11	396,172 42	104 255	104 20	395,960 00	(212 42) ST		
8,600				**898,685 42**	**104 498**		**896,120 00**	**(2,565.42)**	**1.904**	**17,062.40**
4,600	ISHARES S&P U S PREFERRED STK	PFF	04/15/08	198,260 00	43 10	35 62	163,852 00	(34,408 00) LT		
5,000	INDEX FD		10/30/08	145,500 00	29 10	35 62	178,100 00	32,600 00 LT		
3,000	Taxable bond portfolio		07/27/10	117,627 00	39 209	35 62	106,860 00	(10,767.00) LT		
1,000			10/13/10	39,828 00	39 828	35 62	35,620 00	(4,208 00) LT		
5,100			09/19/11	187,260 27	36 717	35 62	181,662 00	(5,598 27) ST		
18,700				**688,475 27**	**36 817**		**666,094 00**	**(22,381.27)**	**6 982**	**46,506 90**
19,450	MFS CHARTER INCOME TRUST SBI	MCR	01/25/11	179,848 70	9 246	9 15	177,967 50	(1,881 20) ST		
4,050	Taxable bond portfolio		09/19/11	36,123 57	8 919	9 15	37,057 50	933 93 ST		
23,500				**215,972 27**	**9 19**		**215,025 00**	**(947 27)**	**7 147**	**15,369 00**
28,660	MFS INTERMEDIATE INCM TR SBI	MIN	01/24/11	178,955.62	6 244	6 30	180,558 00	1,602 38 ST		
4,340	Taxable bond portfolio		09/19/11	27,078 56	6 239	6 30	27,342 00	263 44 ST		
33,000	**Non- Div Distribution**		**(7,836.79)**	**198,197.39**	**6 243**		**207,900 00**	**1,865 82**	**8.523**	**17,721 00**
1,900	MFS MULTIMARKET INCM TR SBI Taxable bond portfolio	MMT	01/07/09	**9,690 00**	5 10	6 72	**12,768 00**	**3,078 00** LT	**9 464**	**1,208 40**
9,735	MARKET VECTORS EMERGING MKTS	EMLC	09/15/11	255,057 00	26 20	24 51	238,604 85	(16,452 15) ST		
2,365	LOCAL CURRENCY BOND ETF		09/19/11	60,496 70	25 58	24 51	57,966 15	(2,530 55) ST		
12,100	Taxable bond portfolio			**315,553 70**	**26 079**		**296,571 00**	**(18,982 70)**	**5.711**	**16,940 00**
2,900	POWERSHARES GLOBAL EXCHANGE	PCY	07/27/10	78,097 00	26 93	27 36	79,344 00	1,247 00 LT		
1,500	EMERGING MARKETS SOVEREIGN		10/13/10	42,747 00	28 498	27 36	41,040 00	(1,707 00) LT		
6,225	DEBT PORTFOLIO TRADED FD TR		09/19/11	171,000 75	27 47	27 36	170,316 00	(684 75) ST		
10,625	Taxable bond portfolio **Non- Div Distribution**		**(309.07)**	**291,535.68**	**27.468**		**290,700 00**	**(1,144 75)**	**5 46**	**15,873 75**

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Reserved Client
Business FMA Statement

December 1 - December 31, 2011

EIN 20-5848514 *TOWER FAMILY FUND INC.* ***Account number 356-73534-16 540***

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3,755	SPDR SERIES TR BARCLAYS HIGH	JNK	07/14/10	$ 145,669 59	$ 38 793	$ 38 45	$ 144,379 75	($ 1,289 84) LT		
1,545	YIELD BD ETF		07/27/10	60,885 51	39 408	38 45	59,405 25	(1,480 26) LT		
1,500	Taxable bond portfolio		10/13/10	60,582 75	40 388	38 45	57,675.00	(2,907 75) LT		
7,970			02/17/11	323,821.10	40 63	38 45	306,446.50	(17,374.60) ST		
4,460			09/15/11	170,327 40	38 19	38 45	171,487 00	1,159 60 ST		
6,670			09/19/11	253,726 80	38.04	38 45	256,461 50	2,734 70 ST		
25,900				**1,015,013.15**	**39 19**		**995,855.00**	**(19,158.15)**	7.70	76,689 90
3,800	SPDR SER TR	LAG	01/07/09	212,245 20	55 854	57 898	220,012 40	7,767 20 LT		
1,000	LEHMAN AGGREGATE BD ETF		05/19/09	54,785 68	54 785	57 898	57,898 00	3,112 32 LT		
4,800	Taxable bond portfolio			**267,030 88**	**55.631**		**277,910 40**	**10,879 52**	2 563	7,123 20
Total closed end fund equity allocation							**$ 19,685,263 75**			
Total closed end fund taxable bond allocation							**$ 7,729,988 25**			
Total exchange traded funds and closed end funds				**$ 25,184,612.10**			**$ 27,415,252.00**	**$ 162,629.00 ST**	2.70	
								$ 2,059,837.68 LT		**$ 741,026.66**

ATTACHMENT C

Tower Family Fund, Inc.
Capital Gains and Losses
12/31/2011
EIN: 20-5848514

Smith Barney
Brokerage Acct # 356-75709

Description of Property		D/P	Date Acquired	Date Sold	Gross Sale Price	Cost or other Basis Revenue Per Books	Cost or other Basis Net Investment Income	Gain/(Loss) Per Books	Gain/(Loss) Investment
100 00 SHRS	Call MTB Aug 11	P	7/7/2011	8/22/2011	5,099 90	-	-	5,099 90	5,099 90
100 00 SHRS	Call MTB Jun 11	P	5/31/2011	6/20/2011	4,499 91	-	-	4,499 91	4,499 91
100 00 SHRS	Call MTB May 11	P	5/2/2011	5/23/2011	4,599 91	-	-	4,599 91	4,599 91
35 00 SHRS	Call MTB Oct 11	P	9/22/2011	10/24/2011	2,148 26	-	-	2,148 26	2,148 26
6,500 00 SHRS	M&T Bank Corp	D	3/25/2011	10/21/2011	491,480 26	567,840 00	318,695 00	(76,359 74)	172,785 26
					507,828 24	567,840 00	318,695 00	(60,011 76)	189,133.24
Total					507,828 24	567,840 00	318,695.00	(60,011.76)	189,133.24

ATTACHMENT D

Tower Family Fund, Inc.
Capital Gains and Losses
December 31, 2011
EIN: 20-5848514

Smith Barney
Brokerage Acct # 356-73533

Description of Property			D/P	Date Acquired	Date Sold	Gross Sale Price	Cost or Other Basis: Revenue Per Books	Cost or Other Basis: Net Investment Income	Gain/(Loss) Per Books	Gain/(Loss) Investment
1,500 00	SHRS	American Medical Sys	P	4/15/2011	6/17/2011	45,000 00	44,219 40	44,219 40	780 60	780 60
2,000 00	SHRS	EMS Technologies Inc	P	6/14/2011	8/24/2011	66 000 00	65,660 00	65,660 00	340 00	340 00
1,500 00	SHRS	Graham Packaging Co	P	6/23/2011	9/8/2011	38,250 00	37,844 85	37,844 85	405 15	405 15
2,000 00	SHRS	Herley Inds Inc	P	6/19/2008	3/25/2011	38,000 00	31,325 00	31,325 00	6,675 00	6,675 00
500 000	SHRS	Millicom Intl Cellular	P	12/29/2009	6/2/2011	53,130 00	37,342 50	37,342 50	15,787 50	15,787 50
500 000	SHRS	PNM Resources Inc	P	2/11/2008	10/21/2011	8,989 82	7,127 00	7,127 00	1,862 82	1,862 82
1,800 000	SHRS	SL Industries Inc	P	5/14/2008	Various	40,642 22	25,137 00	25,137 00	15,505 22	15,505 22
500 000	SHRS	Telephone & Data Systems	P	5/14/2008	11/25/2011	11,749 77	21,719 25	21,719 25	(9,969 48)	(9,969 48)
3,300 000						301,761 81	270,375 00	270,375 00	31,386 81	31,386 81
Total						**301,761.81**	**270,375.00**	**270,375.00**	**31,386.81**	**31,386.81**

ATTACHMENT E

Tower Family Fund, Inc.
Capital Gains and Losses
December 31, 2011
EIN 20-5848514

Smith Barney
Brokerage Acct # 356-73534

Description of Property			D/P	Date Acquired	Date Sold	Gross Sale Price	Cost or Other Basis: Revenue per Books	Cost or Other Basis: Net Investment Income	Gain/(Loss) Per Books	Gain/(Loss) Investment
6,050 000	SHRS	Ishares Barclays Intermediate Govt Cr FD	P	Various	2/16/2011	646,133 64	643,437 50	643,437 50	2,696 14	2,696 14
4 800 000	SHRS	Ishares Barclays Short Treasury Bd FD	P	Various	1/24/2011	528,949 84	528,989 85	528,989 85	(40 01)	(40 01)
22,220 000	SHRS	Ishares Dow Jones U S Oil & Gas Exploration	P	Various	8/9/2011	1,274,959 12	860,868 03	860,868 03	414,091 09	414,091 09
31,515 000	SHRS	Ishares Dow Jones U S Regional Banks	P	Various	6/29/2011	722,625 07	979 195 08	979,195 08	(256,570 01)	(256,570 01)
21,280 000	SHRS	Ishares MSCI Australia Index Fd	P	2/17/2010	6/14/2011	556,035 72	474 603 58	474,603 58	81,432 14	81 432 14
8,690 000	SHRS	Ishares MSCI Turkey	P	2/17/2010	2/23/2011	516,179 56	473,865 70	473,865 70	42,313 86	42,313 86
9,485 000	SHRS	Ishares Russell 2000 Index FD	P	4/11/2008	3/17/2011	749,883 93	659,117 39	659,117 39	90 766 54	90,766 54
18,520 000	SHRS	Ishares Russell Midcap Value FD	P	Various	6/7/2011	868,202 78	680,242 36	680,242 36	187,960 42	187,960 42
19,595 000	SHRS	Ishares S&P Latin America 40 Idx FD	P	Various	5/2/2011	1,057,406 23	942,911 39	942,911 39	114,494 84	114,494 84
16,820 000	SHRS	Ishares TR S&P Sm Cap 600 Idx FD	P	Various	Various	1,227,269 63	971,133 12	971,133 12	256,136 51	256,136 51
31,125 000	SHRS	Market Vectors Gold Miners ETF	P	Various	1/20/2011	1,660,224 10	1,621,023 62	1,621,023 62	39,200 48	39,200 48
19 910 000	SHRS	Pimco 1-5 Year US TIPS Index	P	5/19/2011	12/2/2011	1,067,555 69	1,071,329 23	1,071,329 23	(3 773 54)	(3,773 54)
20,010 000	SHRS	ProShares Short 20+ Year Treas Bd FD	P	Various	9/14/2011	697,361 12	940,781 39	940,781 39	(243,420 27)	(243,420 27)
34 630 000	SHRS	ProShares Short Russell 2000	P	6/28/2011	8/2/2011	1,078,714 17	1,044,787 10	1,044,787 10	33 927 07	33,927 07
45 220 000	SHRS	ProShares Short S&P 500	P	Various	8/19/2011	2,122,156 46	1,939,778 31	1 939,778 31	182,378 15	182 378 15
34 055 000	SHRS	Select Sector SPDR Industrial	P	5/25/2010	8/9/2011	1 008,209 56	964,366 08	964,366 08	43,843 48	43,843 48
32,010 000	SHRS	SPDR Barclays Cap Intermediate	P	5/23/2011	Various	1,068,232 98	1,068,173 70	1,068 173 70	59 28	59 28
10,415 000	SHRS	SPDR SER TR S&P Divid ETF	P	7/9/2010	3/16/2011	543 397 39	488,046 90	488,046 90	55,350 49	55,350 49
23,460 000	SHRS	Vanguard Intl Equity Index FDS	P	Various	9/23/2011	894,278 02	1 010,306 17	1,010,306 17	(116,028 15)	(116,028 15)
3 000,000 000	SHRS	United States Treasury Sec	D	8/11/1997	9/19/2011	2,268,835 39	1,682,515 24	1,352,743 32	586,320 15	916,092 07
3 409,810 000						20,556,610 40	19 045,471 74	18,715,699 82	1,511,138 66	1,840,910 58
Total						**20,556,610 40**	**19,045,471.74**	**18,715,699.82**	**1,511,138 66**	**1,840,910.58**

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CITIGROUP GLOBAL MKTS - SEE ATTACHMENT D			

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
301,762.	270,375.	0.	0.	31,387.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CITIGROUP GLOBAL MKTS - SEE ATTACHMENT E			

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
20,556,610.	19,045,472.	0.	0.	1,511,138.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CITIGROUP GLOBAL MKTS - SEE ATTACHMENT C			

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
507,828.	567,840.	0.	0.	<60,012.>

CAPITAL GAINS DIVIDENDS FROM PART IV	29,038.
TOTAL TO FORM 990-PF, PART I, LINE 6A	1,511,551.

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

SOURCE	AMOUNT
MONEY MARKET DIVIDENDS	486.
YMCA OF MARTHA'S VINEYARD	15,000.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	15,486.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS FROM SECURITIES	727,917.	29,038.	698,879.
US TREASURY STRIP OID	52,178.	0.	52,178.
TOTAL TO FM 990-PF, PART I, LN 4	780,095.	29,038.	751,057.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	86,683.	28,894.		57,789.
TO FM 990-PF, PG 1, LN 16A	86,683.	28,894.		57,789.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	17,950.	8,975.		8,975.
TO FORM 990-PF, PG 1, LN 16B	17,950.	8,975.		8,975.

FORM 990-PF | OTHER PROFESSIONAL FEES | STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	119,973.	119,973.		0.
TO FORM 990-PF, PG 1, LN 16C	119,973.	119,973.		0.

FORM 990-PF | TAXES | STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	6,766.	6,766.		0.
FEDERAL EXCISE TAXES	48,691.	0.		0.
TO FORM 990-PF, PG 1, LN 18	55,457.	6,766.		0.

FORM 990-PF | OTHER EXPENSES | STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSE	794.	0.		794.
INSURANCE	1,615.	0.		1,615.
PROFESSIONAL MEMBERSHIPS	695.	0.		695.
NYS FILING FEE	750.	0.		750.
TO FORM 990-PF, PG 1, LN 23	3,854.	0.		3,854.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - CITIGROUP GLOBAL MARKETS #73533 (SEE ATTACHMENT A)	908,724.	949,265.
18,500 SHS M&T BK CORP	1,616,160.	1,412,290.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,524,884.	2,361,555.

FORM 990-PF OTHER INVESTMENTS STATEMENT 10

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CITIGROUP GLOBAL MARKETS #73534 (SEE ATTACHMENT B)	COST	25,184,612.	27,415,252.
TOTAL TO FORM 990-PF, PART II, LINE 13		25,184,612.	27,415,252.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10 STATEMENT 11

NAME OF CONTRIBUTOR	ADDRESS
PETER TOWER, INC.	50 MUIRFIELD ROAD EAST AURORA, NY 14052