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

2011

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation THE FOX FAMILY FOUNDATION		A Employer identification number 23-3092389
Number and street (or P O box number if mail is not delivered to street address) C/O 2011 RENAISSANCE BLVD	Room/suite 102	B Telephone number (610) 272-0800
City or town, state, and ZIP code KING OF PRUSSIA, PA 19406		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ Foreign organizations meeting the 85% test, 2. 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) \$ 2,268,766.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	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)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		17,632.	15,669.		STATEMENT 1
4 Dividends and interest from securities		24,235.	24,038.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		6,273.			
b Gross sales price for all assets on line 6a	276,132.				
7 Capital gain net income (from Part IV, line 2)			6,273.		
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		<109,298.>	<148,773.>		STATEMENT 3
12 Total. Add lines 1 through 11		<61,158.>	<102,793.>		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 4	4,500.	4,500.		0.
c Other professional fees					
17 Interest		1,600.	1,600.		0.
18 Taxes	STMT 5	1,039.	1,039.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 6	30,238.	30,238.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		37,377.	37,377.		0.
25 Contributions, gifts, grants paid		85,000.			85,000.
26 Total expenses and disbursements. Add lines 24 and 25		122,377.	37,377.		85,000.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<183,535.>			
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		290,176.	414,961.	414,961.
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations STMT 8		212,967.	212,967.	266,153.
	b	Investments - corporate stock STMT 9		1,079,769.	1,037,735.	1,079,401.
	c	Investments - corporate bonds				
Liabilities	11	Investments - land, buildings, and equipment, basis ▶				
		Less: accumulated depreciation ▶				
	12	Investments - mortgage loans				
	13	Investments - other STMT 10		702,991.	396,660.	508,251.
	14	Land, buildings, and equipment, basis ▶				
		Less: accumulated depreciation ▶				
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers)		2,285,903.	2,062,323.	2,268,766.
	17	Accounts payable and accrued expenses				
	18	Grants payable				
Net Assets or Fund Balances	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 ▶ ☒					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		2,742,312.	2,742,312.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds		<456,409.>	<679,989.>		
30	Total net assets or fund balances		2,285,903.	2,062,323.		
31	Total liabilities and net assets/fund balances		2,285,903.	2,062,323.		

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	2,285,903.
2	Enter amount from Part I, line 27a	2	<183,535.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,102,368.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 7	5	40,045.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,062,323.

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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				
b	SEE ATTACHED STATEMENTS			
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	276,132.	285,054.	6,273.

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			
b			
c			
d			
e			6,273.

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	6,273.
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	154,000.	2,317,358.	.066455
2009	47,500.	2,142,893.	.022166
2008	115,000.	2,912,825.	.039481
2007	209,000.	3,405,966.	.061363
2006	135,250.	3,072,953.	.044013

2 Total of line 1, column (d)	2	.233478
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	.046696
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,475,799.
5 Multiply line 4 by line 3	5	115,610.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.
7 Add lines 5 and 6	7	115,610.
8 Enter qualifying distributions from Part XII, line 4	8	85,000.

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

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	4,434.	
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	4,434.	
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	4,434.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☐ 4,434. Refunded ☐	11	0.	

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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► NJ		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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? Website address N/A	13	X	
14	The books are in care of THE FOUNDATION Telephone no. (610) 272-0800 Located at C/O 2011 RENAISSANCE BLVD, KING OF PRUSSIA, PA ZIP+4 19406			
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	
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country	16	Yes	No X

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)? Organizations relying on a current notice regarding disaster assistance check here N/A	1b	
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

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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)?

☐ 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

6b

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

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

☐ Yes ☒ No

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

N/A

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
SEE STATEMENT 11		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

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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	1,273,700.
b	Average of monthly cash balances	1b	348,079.
c	Fair market value of all other assets	1c	891,723.
d	Total (add lines 1a, b, and c)	1d	2,513,502.
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	2,513,502.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	37,703.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,475,799.
6	Minimum investment return. Enter 5% of line 5	6	123,790.

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	123,790.
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	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	123,790.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	123,790.
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	123,790.

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	85,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
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	85,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	85,000.

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

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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				123,790.
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	25,017.			
f Total of lines 3a through e	25,017.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 85,000.				
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	0.			85,000.
e Remaining amount distributed out of corpus	25,017.			25,017.
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:	0.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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				13,773.
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	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
EPILEPSY FOUNDATION OF EASTERN PA 919 WALNUT STREET, SUITE 700 PHILADELPHIA, PA 19107	NONE	PUBLIC CHARITY	GENERAL FUND	5,000.
FELLOWSHIP HOUSE 1722 BROADWAY CAMDEN, NJ 08104	NONE	PUBLIC CHARITY	GENERAL FUND	5,000.
RONALD MCDONALD HOUSE ONE KROC DRIVE OAK BROOK, IL 60523	NONE	PUBLIC CHARITY	GENERAL FUND	5,000.
SACRED HEART CHURCH 1739 FERRY AVENUE CAMDEN, NJ 08104	NONE	PUBLIC CHARITY	GENERAL FUND	10,000.
UNIVERSITY OF ROCHESTER 590 MT. HOPE AVENUE ROCHESTER, NY 14620	NONE	PUBLIC CHARITY	GENERAL FUND	40,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				85,000.
b Approved for future payment				
NONE				
Total ▶ 3b				0.

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
PHILLY CURE HD INC. P.O. BOX 4054 PHILADELPHIA, PA 19118	NONE	PUBLIC CHARITY	GENERAL FUND	7,000.
RESPOND, INC. 532 STATE STREET CAMDEN, NY 08103	NONE	PUBLIC CHARITY	GENERAL FUND	10,000.
GEORGETOWN UNIVERSITY MEDICAL CENTER DEPARTMENT NUMBER 0734 WASHINGTON, DC 20073	NONE	PUBLIC CHARITY	GENERAL FUND	3,000.
Total from continuation sheets				20,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		Related or exempt function income
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	17,632.		
4 Dividends and interest from securities			14	24,235.		
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			14	<109,298.>		
8 Gain or (loss) from sales of assets other than inventory			18	6,273.		
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.		<61,158.>		0.
13 Total. Add line 12, columns (b), (d), and (e)						<61,158.>

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

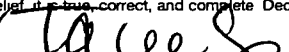
Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		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		X
	(2) Other assets		X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		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.		

[illegible]

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.				May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No	
	 Signature of officer or trustee TACIE FOX, TRUSTEE		Date 11/14/2012 Title Trustee			
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Check ☐ if self-employed	PTIN
	JOSEPH W. ROSKOS				11-13-12	P00483616
	Firm's name ▶ F/B/O SERVICES, INC.					Firm's EIN ▶ 33-1041239
Firm's address ▶ 2011 RENAISSANCE BLVD, SUITE 102 KING OF PRUSSIA, PA 19406					Phone no. (610) 272-0800	

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Department of the Treasury
Internal Revenue Service

year beginning _____

ending _____

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Department of the Treasury
Internal Revenue Service

year beginning _____, 2010

ending _____.

**Partner's Share of Income, Deductions,
Credits, etc.**

► See separate instructions.

Schedule K-1
(Form 1065)

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, _____

**Partner's Share of Income, Deductions,
Credits, etc.**

► See separate instructions.

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	MORGAN STANLEY 098905	P	VARIOUS	VARIOUS
b	MORGAN STANLEY 098905	P	VARIOUS	VARIOUS
c	STIFEL NICHOLAS	P	VARIOUS	VARIOUS
d	STIFEL NICHOLAS	P	VARIOUS	VARIOUS
e	UBS - 77791	P	VARIOUS	VARIOUS
f	UBS - 01006	P	VARIOUS	VARIOUS
g	UBS - 01006	P	VARIOUS	VARIOUS
h	GRAMERCY MEXICO LLC - FROM K-1		VARIOUS	VARIOUS
i	BOARDWALK PIPELINE PARTNERS - FROM K-1		VARIOUS	VARIOUS
j	MAYERCAP FINANCING FUND - FROM K-1		VARIOUS	VARIOUS
k	MAYERCAP FINANCING FUND - FROM K-1		01/01/07	12/31/11
l	REGENCY ENERGY PARTNERS - FROM K-1		VARIOUS	VARIOUS
m	HOLDING PARTICIPANTS LLC - FROM K-1		VARIOUS	VARIOUS
n	HOLDING PARTICIPANTS LLC - FROM K-1		VARIOUS	VARIOUS
o	DREAM VOYPORT LLC - LIQUIDATION OF PARTNERSHIP IN		01/01/07	12/31/11

(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	34,125.		29,777.	1,527.
b	12,875.		11,348.	4,348.
c	63,193.		58,626.	4,567.
d	69,360.		43,875.	25,485.
e	36,014.		36,072.	<58.>
f	11,813.		13,265.	<1,452.>
g	48,693.		69,150.	<20,457.>
h				18,517.
i				140.
j				11.
k				<4,006.>
l				160.
m				214.
n				159.
o			22,941.	<22,941.>

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,527.
b			4,348.
c			4,567.
d			25,485.
e			<58.>
f			<1,452.>
g			<20,457.>
h			18,517.
i			140.
j			11.
k			<4,006.>
l			160.
m			214.
n			159.
o			<22,941.>

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	
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	

THE FOX FAMILY FOUNDATION

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 CAPITAL GAINS DIVIDENDS				
b				
c				
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 59.			59.
b			
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			59.
b			
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	6,273.
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

TACIE JANE FOX LLC AGENT FOR
FOX FAMILY FOUNDATION
U/T/A DTD 07/16/2001
KNALL/COHEN SOLUTIONS MGD ACCT

PAYER INFORMATION:		
STIFEL, NICOLAUS & COMPANY, INCORPORATED		
FEDERAL ID NO: 43-0538770		
F.A.	ACCOUNT	PAGE
IA45	2893-6787	13 of 18
TAXPAYER ID: 23-3092389		

SUPPLEMENTAL INFORMATION AND DISCLOSURES FOR TRANSACTIONS OCCURRING DURING THE 2011 TAX YEAR

All of the supplemental tax information is being provided for your information only and will not be furnished to the Internal Revenue Service. The attached supplemental information section contains some information that is not currently regulated and reported to the IRS by Stifel, (such as Non-Covered Securities cost basis information). This additional information is being furnished on a best efforts basis according to our current records. All proper reporting on an individual's income tax return including but not limited to certain cost basis information, option reporting etc. is the responsibility of the client and their qualified tax professional.

SHORT TERM CAPITAL GAIN/(LOSS)									
DESCRIPTION	QUANTITY	DATE ACQUIRED	DATE SOLD	COST BASIS/ ADJUSTED COST BASIS	PROCEEDS	GAIN/(LOSS)	CLASS	1099B	
AMERICAN CAP AGENCY CORP CUSIP 02503X105	200 00	07/06/11	09/30/11	\$6,039 08	\$5,449 07	(\$590 01)	C	YES	
AMERICAN CAP AGENCY CORP CUSIP 02503X105	20 00	07/12/11	09/30/11	\$596.60	\$544 91	(\$51.69)	C	YES	
CUSIP TOTAL:				\$6,635.68	\$5,993 98	(\$641.70)			
APPLE INC CUSIP: 037833100	10 00	05/18/11	08/22/11	\$3,398 80	\$3,579.88	\$181 08	C	YES	
CABOT OIL & GAS CORP CUSIP 127097103	150 00	02/11/11	04/19/11	\$6,038 43	\$7,763.76	\$1,725.33	C	YES	
EBAY INC CUSIP: 278642103	200 00	06/22/11	08/16/11	\$5,894 18	\$6,087.98	\$193 80	C	YES	
EL PASO CORP CUSIP 28336L109	175 00	03/02/11	10/05/11	\$3,203.22	\$3,102 58	(\$100 64)	C	YES	
EL PASO CORP CUSIP 28336L109	175 00	03/07/11	10/05/11	\$3,231 45	\$3,102.59	(\$128.86)	C	YES	
CUSIP TOTAL:				\$6,434 67	\$6,205 17	(\$229 50)			
EQUINIX INC NEW CUSIP: 29444U502	70 00	11/22/10	10/17/11	\$5,761.21	\$6,657 18	\$895 97	N	YES	
KIMBERLY CLARK CORP CUSIP: 494368103	85 00	10/20/10	03/28/11	\$5,668 28	\$5,539 76	(\$128 52)	N	YES	
LANDSTAR SYSTEM INC CUSIP: 515098101	125.00	09/09/10	03/08/11	\$4,747 89	\$5,564.93	\$817.04	N	YES	
PENNEY J C COMPANY INC CUSIP: 708160106	200 00	07/21/11	10/31/11	\$6,344 08	\$6,513 97	\$169.89	C	YES	
QUALCOMM INC CUSIP: 747525103	125 00	12/28/10	07/11/11	\$6,226.69	\$7,333 91	\$1,107.22	N	YES	
UNITEDHEALTH GROUP INC CUSIP: 91324P102	40.00	12/07/10	05/23/11	\$1,475.74	\$1,952 22	\$476 48	N	YES	
TOTAL SHORT TERM CAPITAL GAIN/(LOSS)				\$58,625 65	\$63,192 74	\$4,567 09			
C - Tax basis information for this security is covered by IRS reporting requirements.									
N - Tax basis information for this security is not covered by IRS reporting requirements. (See Supplemental Information and Disclosure Section for additional information.)									

LONG TERM CAPITAL GAIN/(LOSS)									
DESCRIPTION	QUANTITY	DATE ACQUIRED	DATE SOLD	COST BASIS/ ADJUSTED COST BASIS	PROCEEDS	GAIN/(LOSS)	CLASS	1099B	
AMC NETWORKS INC CL A CUSIP: 00164V103	0 50	01/23/08	06/30/11	\$9 54	\$19.90	\$10.36	N	YES	

TACIE JANE FOX LLC AGENT FOR
FOX FAMILY FOUNDATION
U/T/A DTD 07/16/2001
KNALL/COHEN SOLUTIONS MGD ACCT

PAYER INFORMATION:		
STIFEL, NICOLAUS & COMPANY, INCORPORATED		
FEDERAL ID NO: 43-0538770		
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TAXPAYER ID: 23-3092389		

SUPPLEMENTAL INFORMATION AND DISCLOSURES FOR TRANSACTIONS OCCURRING DURING THE 2011 TAX YEAR

LONG TERM CAPITAL GAIN/(LOSS) (CONTINUED)

DESCRIPTION	QUANTITY	DATE ACQUIRED	DATE SOLD	COST BASIS/ ADJUSTED COST BASIS	PROCEEDS	GAIN/(LOSS)	CLASS	1099B
AMC NETWORKS INC CL A CUSIP: 00164V103	62 00	01/23/08	08/19/11	\$1,182.73	\$2,041.74	\$859.01	N	YES
CUSIP TOTAL:				\$1,192.27	\$2,061.64	\$869.37		
BANK OF AMERICA CORP CUSIP: 060505104	375 00	05/21/09	04/13/11	\$4,278.30	\$5,030.86	\$752.56	N	YES
BANK OF AMERICA CORP CUSIP: 060505104	125 00	10/29/09	04/13/11	\$1,959.08	\$1,676.95	(\$282.13)	N	YES
BANK OF AMERICA CORP CUSIP: 060505104	150 00	01/11/10	04/13/11	\$2,544.60	\$2,012.36	(\$532.24)	N	YES
CUSIP TOTAL:				\$8,781.98	\$8,720.17	(\$61.81)		
CVS CAREMARK CORP CUSIP: 126650100	45 00	01/20/10	03/25/11	\$1,515.90	\$1,524.38	\$8.48	N	YES
CABLEVISION SYS NY GROUP CUSIP: 12686C109	125 00	01/23/08	01/10/11	\$2,170.94	\$4,263.10	\$2,092.16	N	YES
ISHRS MCSI BRIC ETF CUSIP: 464286657	125 00	03/20/09	02/07/11	\$3,048.35	\$5,919.36	\$2,871.01	N	YES
ISHRS MSCI JAPAN ETF CUSIP: 464286848	775 00	01/15/10	08/05/11	\$8,122.00	\$7,733.65	(\$388.35)	N	YES
ISHRS SILVER TR ETF CUSIP: 46428Q109	150 00	01/30/09	01/11/11	\$1,866.87	\$4,327.42	\$2,460.55	N	YES
ISHRS SILVER TR ETF CUSIP: 46428Q109	215.00	01/30/09	01/14/11	\$2,675.84	\$5,970.29	\$3,294.45	N	YES
CUSIP TOTAL:				\$4,542.71	\$10,297.71	\$5,755.00		
MKT VECTRS GOLD MINR ETF CUSIP: 57060U100	55 00	10/13/08	05/16/11	\$1,431.76	\$3,016.79	\$1,585.03	N	YES
NATIONAL OILWELL VARCO CUSIP: 637071101	50 00	07/23/08	01/25/11	\$3,808.00	\$3,337.35	(\$470.65)	N	YES
NATIONAL OILWELL VARCO CUSIP: 637071101	50 00	10/13/08	01/25/11	\$1,315.82	\$3,337.36	\$2,021.54	N	YES
NATIONAL OILWELL VARCO CUSIP: 637071101	25 00	10/30/08	01/25/11	\$697.43	\$1,668.68	\$971.25	N	YES
NATIONAL OILWELL VARCO CUSIP: 637071101	10 00	10/30/08	02/28/11	\$278.97	\$787.00	\$508.03	N	YES
NATIONAL OILWELL VARCO CUSIP: 637071101	135.00	02/19/09	02/28/11	\$3,644.87	\$10,624.50	\$6,979.63	N	YES
CUSIP TOTAL:				\$9,745.09	\$19,754.89	\$10,009.80		
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107	20 00	07/16/08	05/16/11	\$1,903.62	\$2,915.24	\$1,011.62	N	YES
TALISMAN ENERGY INC CUSIP: 87425E103	100 00	10/30/08	05/19/11	\$943.39	\$2,101.90	\$1,158.51	N	YES
TALISMAN ENERGY INC CUSIP: 87425E103	50 00	11/06/08	05/19/11	\$476.52	\$1,050.96	\$574.44	N	YES
CUSIP TOTAL:				\$1,419.91	\$3,152.86	\$1,732.95		
TOTAL LONG TERM CAPITAL GAIN/(LOSS)				\$43,874.53	\$69,359.79	\$25,485.26		

N - Tax basis information for this security is not covered by IRS reporting requirements. (See Supplemental Information and Disclosure Section for additional information.)

TACIE JANE FOX LLC AGENT FOR
FOX FAMILY FOUNDATION
U/T/A DTD 07/16/2001
KNALL/COHEN SOLUTIONS MGD ACCT

PAYER INFORMATION:		
STIFEL, NICOLAUS & COMPANY, INCORPORATED		
FEDERAL ID NO: 43-0538770		
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SUPPLEMENTAL INFORMATION AND DISCLOSURES FOR TRANSACTIONS OCCURRING DURING THE 2011 TAX YEAR

RETURN OF CAPITAL OR PRINCIPAL PAYMENTS

DESCRIPTION	QUANTITY	ACTIVITY	DATE SOLD	PROCEEDS	CLASS	1099B
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000354471	100 00	PRINCIPAL	01/05/11	\$4.73	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000336685	100 00	PRINCIPAL	02/04/11	\$4.45	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000281236	100 00	PRINCIPAL	03/03/11	\$3.90	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000319228	100 00	PRINCIPAL	04/07/11	\$4.54	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000333782	100.00	PRINCIPAL	05/09/11	\$4.89	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000321858	80 00	PRINCIPAL	06/08/11	\$3.86	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000327575	80.00	PRINCIPAL	07/08/11	\$3.94	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000292563	80.00	PRINCIPAL	08/10/11	\$4.04	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000312966	80 00	PRINCIPAL	09/09/11	\$4.51	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000393229	80.00	PRINCIPAL	10/13/11	\$5.07	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0.000305557	80 00	PRINCIPAL	11/14/11	\$4.22	N	YES
SPDR GOLD TRUST GOLD ETF CUSIP: 78463V107 CBAF: 0 000316820	80.00	PRINCIPAL	12/09/11	\$4.21	N	YES
CUSIP TOTAL:				\$52.36		

TOTAL RETURN OF CAPITAL OR PRINCIPAL PAYMENTS

\$52.36

N - Tax basis information for this security is not covered by IRS reporting requirements. (See Supplemental Information and Disclosure Section for additional information.)

CBAF: Cost Basis Allocation Factor

TOTAL GROSS PROCEEDS LESS COMMISSION
ON STOCKS, BONDS, ETC.
(ADJUSTED FOR ASSIGNED
OR EXERCISED OPTIONS ABOVE)

\$132,604.89

**Notice of Inconsistent Treatment or Administrative
Adjustment Request (AAR)**(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries, foreign
trust owners and beneficiaries, REMIC residual interest holders, and TMPs.)

▶ See separate instructions.

OMB No 1545-0790

Attachment
Sequence No **84**

Name(s) shown on return

THE FOX FAMILY FOUNDATION

Identifying number

23-3092389

Part I General Information1 Check boxes that apply: (a) ☒ Notice of inconsistent treatment (b) ☐ Administrative adjustment request (AAR)

2 Identify type of pass-through entity:

(a) ☒ Partnership (b) ☐ S corporation (c) ☐ Estate (d) ☐ Trust (e) ☐ REMIC3 Employer identification number of pass-through entity
26-03426905 Internal Revenue Service Center where pass-through entity filed its return
NOT APPLICABLE4 Name, address, and ZIP code of pass-through entity
SDS/PROCIDIA EQUITIES, LLC
456 EAST 173RD STREET, BRONX, NY 104576 Tax year of pass-through entity
01 / 01 / 2011 to 12 / 31 / 20117 Your tax year
01 / 01 / 2011 to 12 / 31 / 2011**Part II Inconsistent or Administrative Adjustment Request (AAR) Items**

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)		(d) Amount you are reporting		(e) Difference between (c) and (d)	
	Amount of item	Treatment of item						
8 ORDINARY LOSS FROM 2011 K-1	✓		-105,307		-105,307		0	
9 ORDINARY LOSS (DEFERRED FROM 2008)	✓		0		-21,739		-21,739	
10								
11								

**Part III Explanations—Enter the Part II item number before each explanation. If more space is needed,
continue your explanations on the back.**

ITEMS 10 & 11 EXPLANATION - SEE STATEMENTS ATTACHED

Schedule of Losses Taxpayer Disallowed in 2008 Related to Taxpayer's Investment in SDS Procida Equities LLC & Deemed Recoverable in 2011

Description of Recovered Loss Transactions	Recovered Losses (4,140,989)
Losses Recovered in 2009 from the Sale of 70.38% of 80 William DC's assets involved in the 2008 transaction	
Losses Recoverable in 2010 from the Sale of 16.64% of 80 William DC's assets involved in the 2008 transaction	(978,763)
Losses Recoverable in 2010 from the 2009 Sale of 77.89% of LP Interests in an Upper Tier 186 Livingston Entity	(6,127,387)
Losses Recoverable in 2011 from the Sale of 100% of the remaining condos at 189 Schermerhorn St. 196 Livingston	(1,875,541)

Allocated prorata to Fox entities according to percentage ownership in SDSP Equities LLC

Nature of Passthrough SDSP Related Loss Not Reported By Tax Payer in 2008 & 2009

(1A) Ordinary loss from 2008 sale of SDSP's 50% interest in 198 Livingston Development LLC to SDSP Schemerhorn LLC (tax ID #26-3977068)

(1A) Ordinary loss from 2008 sale of SDSP's 50% interest in 196 Livingston Development LLC to SDSP Schiemmerhorn LLC (tax ID #20-397,006)

(2) Ordinary loss from 90 Wm DG's 2008 sale of 21 condo units held in inventory to 90 William Holding LLC (tax ID #26-3942153)

(4) Charitable loss from 60 Wm. C. S. 2008 sale of 2 1/2 Corbin units held in inventory to SD Schermernom's LLC (tax ID #20-0974-100)

December 31, 2011

**Form 8082, Notice of Inconsistent Treatment or Administrative
Adjustment Request**

PART III - Explanations:

Taxpayer is a partner in SDS/Procida Equities, LLC (26-0342690). See line 10 on form 8082.

Based upon any and all information available to Taxpayer:

- Taxpayer believes that SDS/Procida Equities LLC's and two of its pass through entities entered into two sale transactions with related parties in 2008 that resulted in losses. Taxpayer believes that the losses recognized by SDS/Procida Equities LLC in 2008 for these transactions in 2008 were as follows:

Pass through Entity to SDS Procida Equities LLC (#26-0342690)	Tax ID #	2008 SDS/Procida Equities LLC Ordinary Losses Not Reported By Taxpayer in 2008
<u>Transaction 1:</u> Sales of interests to SDSP Schermerhorn LLC	26-3977068	
- 196 Livingston Street Development Group LLC (# 1A)	20-2919636	(6,801,415)
- GPF 196 Livingston, LLC (# 1B)	20-3995286	(1,201,513)
<u>Transaction #2:</u> Sale of condo assets to 90 William Holding LLC	26-3942153	
- 90 William St. Development Group, LLC (#2)	20-2467432	(5,883,758)
		13,886,686

- Taxpayer believes that these losses were required to be deferred in 2008 and a portion of these losses were required to be deferred in 2009, since there is not substantial authority to claim the benefit of these losses.
- Taxpayer believes that the benefit from the loss transactions is required to be deferred:
 - In accordance with IRC § 707(b)(1); and
 - Pursuant to Common Law doctrines such as "lack of business purpose", "sham transaction", "substance over form" and "lack of economic substance"
- The total losses that were recognized in 2008 by SDS/Procida Equities LLC as a result of sale transactions #1 and #2 were \$13,886,686.
 - The entities involved in the first 2008 sale transaction are 90 William Development Group (#20-2467432) and 90 William Holding LLC (#26-3942153).
 - The entities involved in the second sale transaction are SDS/Procida Equities LLC (#, 196 Livingston Street Development Group LLC (#20-2919636), GPF 196 Livingston LLC (20-3995286) and SDSP Schermerhorn LLC (#26-3977068).
- Taxpayer did not claim the benefits of these loss two transactions on its tax return for the period ended December 31, 2008; rather, Taxpayer treated the loss as deferred.
- In 2011, based upon all financial information available to Taxpayer, Taxpayer believes that it can recognize its share of \$1,875,541 in losses, representing the remaining and unrecognized portion of \$8,002,928 in total 2008 benefits from transaction #1 that Taxpayer deferred in 2008 and did not accelerate and recognize in 2009 or 2010. In 2008, Taxpayer deferred \$8,002,928 of total losses that

were passed through to SDS/Procida Equities LLC by 196 Livingston St. Development Group LLC and GPF 196 Livingston LLC in transaction #1. In 2010, Taxpayer recognized 77.89% of the 2008 deferred losses. Taxpayer believes that the remainder of the unrecognized deferred losses are allowable in 2010 as a result of the sale of 100% of the remaining assets of the upper-tier partnership entity (be@189 Schermerhorn LP) to independent third parties. Taxpayer's share of the \$1,875,541 in recognizable losses equals its percentage interest in SDS Procida Equities, LLC.

- In 2009, Taxpayer recognized its share of \$4,140,989 in deferred losses, representing 70.38% of the \$5,883,758 of losses related to transaction #2, which SDS/Procida Equities LLC recognized in 2008 and were deferred by Taxpayer. Taxpayer's share of \$4,140,989 in deferred losses were allowable in 2009 as a result of the sale of 70.38% of the partnership assets involved in the 2008 90 William St. Development Group transaction (#2) to independent third parties. Taxpayer's share of the \$4,140,989 in 2009 recognized losses equaled its percentage interest in SDS Procida Equities, LLC.
- In 2010, Taxpayer recognized its share of \$978,763 in deferred losses, representing 16.64% of the \$5,883,758 of losses related to transaction #2, which SDS/Procida Equities LLC recognized in 2008 and were deferred by Taxpayer. Taxpayer's share of \$978,763 in losses were allowable in 2010 as a result of the sale of 16.64% of the partnership assets involved in the 90 William St. Development Group transaction (#2) to independent third parties. Taxpayer's share of the \$4,140,989 in 2010 recognized losses equaled its percentage interest in SDS Procida Equities, LLC.
- Taxpayer believes that as a result of 2008 transaction #1, SDSP Schermerhorn, LLC owns 100% of 196 Livingston St. Development Group, a single member LLC that owns an interest in the upper-tier partnership be@189 Schermerhorn, LP (20-8071569), the "Partnership Interest". The upper-tier partnership owns a residential condominium development project located at 189 Schermerhorn Street in Brooklyn, NJ, which is a security for a construction loan.
- Taxpayer is a partner in SDSP Schermerhorn, LLC (26-3977068). Taxpayer believes that during 2009 SDSP Schermerhorn, LLC entered into a sale transaction of 77.89% of partnership interests in an upper tier partnership that resulted in an acceleration of deferred items, and that these deferred items were required to be recognized in proportion to their interest sold (77.89%). Taxpayer believes that in 2009, SDSP Schermerhorn, LLC either did not report or disclose the transaction to the IRS pursuant to Treasury Regulations § 1.108(i)-2T or, if the disclosure was in fact made, the disclosure was not appropriate, accurate or complete.
- In 2010, Taxpayer recognized its share of \$6,127,387 in losses, representing 77.89% of the total 2008 benefits of transaction #1 equal to \$8,002,928. In 2008, the entities 196 Livingston St. Development Group and GPF 196 Livingston together passed through \$8,002,928 of losses to SDS/Procida Equities LLC, which Taxpayer deferred in 2008. Taxpayer's share of \$6,127,387 in deferred losses were allowable in 2010, as a result of the sale of 77.89% of the upper-tier partnership entity (be@189 Schermerhorn LP). Taxpayer's share of the \$6,127,587 in recognizable losses equaled its percentage interest in SDS Procida Equities, LLC.
- Taxable distributions reported on the Taxpayer's 2009 SDSP Schermerhorn LLC K-1 were reported in error on the Taxpayer's 2009 tax return. Because the Taxpayer did not recognize the \$8,002,928 loss associated with the 2008 year end sale of 100% of the ownership interests in 196 Livingston St. Development Group LLC and GPF 196 Livingston LLC to SDSP Schermerhorn LLC (transaction #1), Taxpayer had sufficient tax basis such that the 2009 distributions from SDSP Schermerhorn LLC should not have been taxable. As a result, Taxpayer recovered the 2009 distribution-related taxable income and included it in the total 2010 recoverable losses.
- Transaction #3: Taxpayer believes that on September 30, 2009, SDSP Schermerhorn's partner in the upper-tier partnership, be@189 Schermerhorn LP ("Partnership"), purchased the construction loan for a \$34.6 million discount and contributed it as additional capital to the Partnership, along with \$2.7 million of cash, in order to redeem 77.89% of SDSP Schermerhorn LLC's indirect Partnership Interest. After transaction #3, SDSP Schermerhorn LLC, retained a restricted limited partner Partnership Interest equal to 8.59%. The upper tier partnership, be@189 Schermerhorn LP's treated the \$2.7 million contribution

and related distribution to SDSP Schermerhorn LLC for U.S. federal income tax purposes as a "disguised sale" of a portion of SDSP Schermerhorn LLC's indirect Partnership Interest pursuant to Section 707 of the code. The Partnership elected to defer the COD Income generated by the purchase of the construction loan for a \$34.6 million discount under Treasury Regulations § 1.108(i)-2T, and SDSP Schermerhorn's allocated share of the 2009 deferred COD Income was \$9,924,300

- Taxpayer believes that SDSP Schermerhorn LLC's 2009 sale of 77.89% of its Partnership Interests for \$2.7 million is considered to be a partial transfer of its interests in an upper-tier entity under Treasury Regulations § 1.108(i)-2T, that should have been deemed to be an acceleration event requiring SDSP Schermerhorn LLC to recognize a portion of its \$9,924,300 in deferred 2009 COD Income, in proportion to its 77.89% Partnership Interest sold. As a result, in 2010, Taxpayer accelerated and recognized \$7,730,037 (77.89%) of the \$9,924,300 in COD Income that SDSP Schermerhorn LLP deferred in 2009. The net amount of accelerated income reported by Taxpayer in 2010, attributable to their interests in SDSP Schermerhorn LLC represented Taxpayer's best estimate of their share of the allocable accelerated income attributable to the partial sale transaction. This estimate is based upon any and all financial information available to Taxpayer, most of which was not available to the Taxpayer until September 2010 or later.

**Notice of Inconsistent Treatment or Administrative
Adjustment Request (AAR)**(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries,
foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)
▶ See separate instructions.

OMB No. 1545-0790

Attachment
Sequence No. **84**

Name(s) shown on return

THE FOX FAMILY FOUNDATION

Identifying number

23-3092389**Part I General Information**

- 1 Check boxes that apply: (a) ☒ Notice of inconsistent treatment (b) ☐ Administrative adjustment request (AAR)
- 2 If you are a tax matters partner (TMP) filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) ☐ Yes ☐ No
- 3 Identify type of pass-through entity:
(a) ☒ Partnership (b) ☐ Electing large partnership (c) ☐ S corporation (d) ☐ Estate (e) ☐ Trust (f) ☐ REMIC
- 4 Employer identification number of pass-through entity
26-0342690
- 6 Tax shelter registration number (if applicable) of pass-through entity
NOT APPLICABLE
- 5 Name, address, and ZIP code of pass-through entity
**SDS/PRODICA EQUITIES, LLC
456 EAST 173RD STREET
BRONX, NY 10457-8106**
- 7 Internal Revenue Service Center where pass-through entity filed its return
OGDEN, UT
- 8 Tax year of pass-through entity
01 / 01 / 2010 to 12 / 31 / 2010
- 9 Your tax year
01 / 01 / 2010 to 12 / 31 / 2010

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)	(d) Amount you are reporting	(e) Difference between (c) and (d)	
	Amount of item	Treatment of item				
10 ORDINARY LOSS FROM 2010 K-1	☒		-37,640	-37,640	0	
11 ORDINARY LOSS (DEFERRED FROM 2008)	☒		0	-82367	-82367	
12						
13						

Part III Explanations—Enter the Part II item number before each explanation. If more space is needed, continue your explanations on the back.**ITEM 10 EXPLANATION - SEE STATEMENT ATTACHED**

**Notice of Inconsistent Treatment or Administrative
Adjustment Request (AAR)**(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries,
foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)
▶ See separate instructions.

OMB No. 1545-0790

Attachment
Sequence No. **84**

Name(s) shown on return

THE FOX FAMILY FOUNDATION

Identifying number

23-3092389**Part I General Information**

- 1 Check boxes that apply: (a) ☒ Notice of inconsistent treatment (b) ☐ Administrative adjustment request (AAR)
- 2 If you are a tax matters partner (TMP) filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) ☐ Yes ☐ No
- 3 Identify type of pass-through entity:
(a) ☒ Partnership (b) ☐ Electing large partnership (c) ☐ S corporation (d) ☐ Estate (e) ☐ Trust (f) ☐ REMIC
- 4 Employer identification number of pass-through entity
26-3977068
- 6 Tax shelter registration number (if applicable) of pass-through entity
NOT APPLICABLE
- 5 Name, address, and ZIP code of pass-through entity
**SDSP SCHERMERHORN LLC
132 REMSEN STREET
BROOKLYN, NY 11201**
- 7 Internal Revenue Service Center where pass-through entity filed its return
OGDEN, UT
- 8 Tax year of pass-through entity
01 / 01 / 2010 to 12 / 31 / 2010
- 9 Your tax year
01 / 01 / 2010 to 12 / 31 / 2010

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)		(d) Amount you are reporting		(e) Difference between (c) and (d)	
	Amount of item	Treatment of item						
10 ORDINARY LOSS FROM 2010 K-1	☒		-14191		-14191		0	
11 ORDINARY INCOME (DEFERRED FROM 2009)	☒		0		55194		55194	
12								
13								

Part III Explanations—Enter the Part II item number before each explanation. If more space is needed, continue your explanations on the back.**ITEM 10 EXPLANATION - SEE STATEMENT ATTACHED**

The Fox Family Foundation
23-3092389
December 31, 2010

**Form 8082, Notice of Inconsistent Treatment or Administrative
Adjustment Request**

PART III - Explanations:

ISSUE #1:

Taxpayer is a partner in SDS/Procida Equities, LLC (26-0342690). See lines 4 and 5 on form 8082.

Based upon any and all information available to Taxpayer:

- Taxpayer believes that SDS/Procida Equities LLC's and two of its pass through entities entered into two sale transactions with related parties in 2008 that resulted in losses. Taxpayer believes that the losses recognized by SDS/Procida Equities LLC in 2008 for these transactions in 2008 were as follows:

<u>Pass through Entity to SDS Procida Equities LLC</u>	<u>Tax ID #</u>	2008 SDS/Procida Equities
		Ordinary Loss Not Reported By Taxpayer in 2008
90 William St. Development Group, LLC	20-2467432	(5,883,758)
196 Livingston Street Development Group LLC	20-2919636	(6,801,415)
GPF 196 Livingston, LLC	20-3995286	(1,201,513)
		13,886,686

- Taxpayer believes that these losses were required to be deferred in 2008 and a portion of these losses are still required to be deferred in 2009, since there is not substantial authority to claim the benefit of these losses.
- Taxpayer believes that the benefit from the loss transactions is required to be deferred.
 - In accordance with IRC § 707(b)(1); and
 - Pursuant to Common Law doctrines such as "lack of business purpose", "sham transaction", "substance over form" and "lack of economic substance".
- The total losses that were recognized in 2008 by SDS/Procida Equities LLC as a result of these 2 sale transactions were \$13,886,686.
 - The entities involved in the first 2008 sale transaction are 90 William Development Group (#20-2467432) and 90 William Holding LLC (#26-3942153).
 - The entities involved in the second sale transaction are SDS/Procida Equities LLC (#, 196 Livingston Street Development Group LLC (#20-2919636), GPF 196 Livingston LLC (20-3995286) and SDSP Schermerhorn LLC (#26-3977068).
- Taxpayer did not claim the benefits of these loss transactions on their tax return for the period ended December 31, 2008; rather, Taxpayer treated the loss as deferred.

- In 2009, Taxpayer recognized its share of the \$5,883,758 of losses deferred in 2008, equal to \$4,140,989, that were allowable in 2009 as a result of the sale of 70.38% of the partnership assets involved in the 90 William St. Development Group transaction to independent third parties.
- Based upon all financial information available to Taxpayer, Taxpayer believes that part of the 2008 benefits of the loss transaction resulting in \$5,883,758 of pass through loss from 90 William St. Development Group that was treated as deferred in 2008, equal to \$978,763, were allowable in 2010 as a result of the sale of 16.64% of the 90 William St. Development Group partnership assets involved in the transaction to independent third parties.
- Based upon all financial information available to Taxpayer, Taxpayer believes that part of the 2008 benefits of the loss transaction resulting in \$8,002,928 of pass through loss from 196 Livingston St. Development Group and GPF 196 Livingston to SDS/Procida Equities, that was treated as deferred in 2008 were allowable in 2010 as a result of the sale of 77.89% of the upper-tier partnership entity. Thus resulting in \$6,127,387 of losses to be recognized.
- Taxable distributions reported on the Taxpayer's 2009 SDSP Schermerhorn, LLC K-1 were reported in error on the Taxpayer's 2009 tax return. Because the Taxpayer did not recognize the \$8,002,928 loss associated with the 2008 year end sale of 196 Livingston St. Development Group and GPF 196 Livingston interests to SDSP Schermerhorn, Taxpayer had sufficient tax basis such that the 2009 distributions from SDSP Schermerhorn should not have been taxable. Taxpayer has recovered the 2009 distribution related taxable income in 2010 and included it in the 2010 recoverable losses.

ISSUE #2:

Taxpayer is a partner in SDSP Schermerhorn, LLC (26-3977068).

Based upon any and all information available to Taxpayer:

- Taxpayer believes that during 2009 SDSP Schermerhorn, LLC entered into a sale transaction of partnership interests that resulted in an acceleration of deferred items. Taxpayer believes that these deferred items are required to be recognized in proportion to their interest sold.
- Taxpayer believes that SDSP Schermerhorn, LLC either did not report or disclose the transaction to the Taxpayer or the IRS pursuant to Treasury Regulations § 1.108(i)-2T or, if the disclosure was in fact made, the disclosure was not appropriate, accurate or complete.

Based upon any and all information available to Taxpayer:

- Taxpayer believes that SDSP Schermerhorn, LLC owns 100% of 196 Livingston St. Development Group, a single member LLC, that owns an interest in the upper-tier partnership be@189 Schermerhorn, LP (20-8071569), the "Partnership Interest". The upper-tier partnership owns a residential condominium development project, which is a security for a construction loan.
- Taxpayer believes that on September 30, 2009, SDSP Schermerhorn's partner in the upper-tier partnership purchased the construction loan for a \$34.6 million discount and contributed it to the partnership along with \$2.7 million of cash as additional capital, in order to redeem 77.89% of SDSP Schermerhorn's indirect Partnership Interest, except for a restricted limited partner Partnership Interest. The \$2.7 million contribution and related distribution to SDSP Schermerhorn was treated for U.S. federal income tax purposes as a "disguised sale" of a portion of SDSP Schermerhorn's indirect Partnership Interest pursuant to Section 707 of the code.

- Taxpayer believes that, associated with its partner's purchase of the construction loan for a \$34.6 million discount, the upper-tier partnership elected to defer the COD Income generated by this transaction under Treasury Regulations § 1.108(i)-2T, and SDSP Schermerhorn's allocated share of the 2009 deferred COD Income was \$9,924,300.
- Taxpayer believes that SDSP Schermerhorn LLC's 2009 sale of 77.89% of its Partnership Interests for \$2.7 million is considered to be a partial transfer of its interests in an upper-tier entity under Treasury Regulations § 1.108(i)-2T, and is deemed to be an acceleration event requiring SDSP Schermerhorn to recognize a portion of its \$9,924,300 in deferred 2009 COD Income, in proportion to its 77.89% Partnership Interest sold.
- Taxpayer believes that in 2009 SDSP Schermerhorn was required to recognize \$7,730,037 of the \$9,924,300 in COD Income that it deferred in 2009.

Taxpayer has reported on Form 8082 and made the adjustments that Taxpayer believes are necessary to reverse or disallow the benefit(s) from 77.89% of deferred COD Income reported to Taxpayer on the 2009 Schedule K-1 received from SDSP Schermerhorn, LLC.

The net amount of accelerated income reported by Taxpayer in 2010, attributable to their ownership of SDSP Schermerhorn, represents Taxpayer's best estimate of their share of the allocable accelerated income attributable to the partial sale transaction. This estimate is based upon any and all financial information available to Taxpayer, most of which was not available to the Taxpayer until September 2010.

All partners in the partnership SDSP Schermerhorn, LLC (26-3977068) would be affected and are at a minimum involved in the transaction(s) in their capacity as partners in the partnership.

Based upon any and all financial information available to Taxpayer:

- For Issue #1 and Issue #2, attached as Schedule #1 is Taxpayer's calculation for all the Taxpayer's related parties of the 2010 reported income associated with the transactions described in Issue #1 and Issue #2 above.

Form 8082: Income Related to SDS Procidia Equities, LLC ("SDSP") - 2010 Recoverable Loss Calculations

Schedule of Losses Taxpayer Deferred in 2008 Related to Taxpayer's Investment in SDS Procidia Equities LLC that are Deemed Recoverable & Deducted in 2010

Losses Passed through to SDS Procidia Equities LLC ("SDSP") in 2008 Disallowed by Taxpayer	Tax ID #	2008 SDSP Reported Ordinary Loss Not Recognized By Taxpayer in 2008 (Form 8886 Filed)	Portion of 2008 SDSP Ordinary Loss Deferred in 2008 That Was Recognized By Taxpayer in 2009	Portion of Unrecognized 2008 SDSP Ordinary Loss That Was Recognized In Future Years (after 12/31/2010)
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Losses Generated from the Sale of 100% of SDSP's Interests in 196 Livingston St. Entities

- 196 Livingston Street Development Group LLC ("196 Livingston DG")

- GPF 196 Livingston, LLC "GPF 196"

Subtotal for Losses Passed through by 196 Livingston St. Entities

Losses Passed through from 90 William St. Development Group, LLC - Ordinary Loss ("90 William DG")

TOTAL SDS PROCIDIA EQUITIES LLC

Amount of Losses Recovered by Taxpayer Each Year Related to Losses that Taxpayer Deferred in 2008

Total SDSP Losses Not Reported by Taxpayer in 2008 & Deferred at the End of Each Year

Description of Recoverable Loss Transactions

Losses Recovered in 2008 from the Sale of 70.38% of 90 William DG's assets involved in the 2008 transaction

Losses Recoverable in 2010 from the Sale of 16.64% of 90 William DG's assets involved in the 2008 transaction

Losses Recoverable in 2010 from the 2008 Sale of 21 condo units held in inventory to 90 William Holding LLC (tax ID #26-3842153)

Total 2008 Deferred Losses Deemed Recoverable in 2010:

Nature of Passthrough SDSP Related Loss Not Reported By Tax Payer in 2008 & 2009

(1A) Ordinary loss from 2008 sale of SDSP's 50% interest in 196 Livingston Development LLC to SDSP Schemmerhorn LLC (tax ID #26-3977088)

(1B) Loss from 2008 sale of SDSP's 86.7% interest in GPF 196 Livingston LLC's (which owns 50% of 196 Livingston St. Dev Group) to SDSP Schemmerhorn LLC

(2) Ordinary loss from 90 Wm DG's 2008 sale of 21 condo units held in inventory to 90 William Holding LLC (tax ID #26-3842153)

(3) SDSP's Prior Portion of \$7,353,159 Ordinary loss from SDSP Schemmerhorn's sale of 77.88% of Partnership Interests previously owned indirectly by SDSP that were sold as part of the 2008 disallowed 1A & 1B transaction

2010 TAXPAYER RECOVERED & RECOGNIZED INCOME REPORTED ON FORMS 8082

SDS PROCIDIA EQUITIES, LLC & SDSP Schemmerhorn LLC Partial Use of Partnership (Taxpayer Related Entities)	2008 SDSP Income Reported by Taxpayer on 2008 return	2008 Recoverable Loss Reported & Recognized by Taxpayer in 2008	Taxpayer's share of 2008 Losses from sale of 16.64% of units at 90 Wm St. Deemed Recoverable in 2010	Taxpayer's Share of 2008 Losses from 196 Livingston to be Recovered in 2010	Taxpayer's Total Share of 2010 Recoverable Losses from 196 Livingston Entities	Taxpayer's Share of 2008 Losses from GPF 196 Livingston to be Recovered in 2010
Fox Family Foundation	71,693	(37,643)	(11,345)	(42,785)	(71,023)	(28,238)
Fox Financial Investments	28,112	(14,764)	(4,448)	(16,776)	(27,849)	(11,072)
Fox Grandchildren, LP	19,681	(10,331)	(3,114)	(11,745)	(19,497)	(7,752)
Fox IV Investments, LLC	120,891	(63,481)	(19,130)	(72,144)	(119,760)	(47,615)
Sandra W. Fox (old JT w/GWF)	112,460	(59,049)	(17,796)	(67,113)	(111,408)	(44,295)
Sandra W. Fox	112,460	(59,048)	(17,796)	(67,113)	(111,408)	(44,295)
G William Fox Trust	12,649	(6,643)	(2,002)	(7,548)	(12,531)	(4,982)
Michael Ralliff	14,059	(7,379)	(2,225)	(8,390)	(13,928)	(5,537)
Nancy Fox Lyons	7,026	(3,692)	(1,112)	(4,193)	(6,961)	(2,768)
Sara Fox	12,649	(6,646)	(2,002)	(7,548)	(12,531)	(4,982)
Tedde Fox	49,204	(25,835)	(7,866)	(29,363)	(48,743)	(19,380)
Tedde Fox & Michael Ralliff	28,112	(14,765)	(4,448)	(16,776)	(27,849)	(11,072)
TOTALS	588,996	(309,275)	(93,204)	(351,438)	(583,487)	(231,989)

Taxpayer's Total Share of 2008 Losses to be Recognized in 2010	SDSP Schemmerhorn Taxable Distributions Over Reported by Taxpayer in 2008	Taxpayer Share of Accelerated SDSP Schemmerhorn 2009 Deferred & Unreported COD Income	2010 Net Taxpayer 2008 Recovered Losses & Reported COD Income
(82,367)	(19,069)	74,263	(27,174)
(32,297)	(7,548)	29,126	(10,719)
(22,612)	(5,562)	20,384	(7,790)
(138,890)	(32,179)	125,227	(45,842)
(129,204)	(29,994)	116,492	(42,707)
(129,204)	(29,994)	116,492	(42,707)
(14,532)	(3,377)	13,103	(4,806)
(16,152)	(3,575)	14,555	(5,172)
(8,073)	(1,788)	7,281	(2,579)
(14,532)	(3,377)	13,103	(4,806)
(56,529)	(13,110)	50,964	(18,675)
(32,297)	(7,548)	29,126	(10,718)
(676,690)	(157,121)	610,115	(223,696)

A copy of Forms 8886 filed in 2008 & Form 8082 filed in 2009 is attached. Refer to the detailed description in Part III for additional information. The Adjustments disclosed in Part II are necessary to recognize the 2010 recoverable portion of the loss treated as deferred in 2008.

Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)

(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries, foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)
▶ See separate instructions.

OMB No. 1545-0790

Attachment
Sequence No **84**

Name(s) shown on return

THE FOX FAMILY FOUNDATION

Identifying number

23-3092389

Part I General Information

1 Check boxes that apply: (a) ☒ Notice of inconsistent treatment (b) ☐ Administrative adjustment request (AAR)

2 If you are a tax matters partner (TMP) filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) ☐ Yes ☐ No

3 Identify type of pass-through entity:
(a) ☒ Partnership (b) ☐ Electing large partnership (c) ☐ S corporation (d) ☐ Estate (e) ☐ Trust (f) ☐ REMIC

4 Employer identification number of pass-through entity
26-0342690

6 Tax shelter registration number (if applicable) of pass-through entity
NOT APPLICABLE

5 Name, address, and ZIP code of pass-through entity
**SDS/PROCIDIA EQUITIES, LLC
456 EAST 173RD STREET
BRONX, NY 10457-8106**

7 Internal Revenue Service Center where pass-through entity filed its return
OGDEN, UT

8 Tax year of pass-through entity
01 / 01 / 2009 to **12 / 31 / 2009**

9 Your tax year
01 / 01 / 2009 to **12 / 31 / 2009**

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)	(d) Amount you are reporting		(e) Difference between (c) and (d)	
	Amount of item	Treatment of item					
10 ORDINARY LOSS FROM 2009 K-1	☒		-67,045	-67,045		0	
11 ORDINARY LOSS (DEFERRED FROM 2008)	☒			-37,643		-37,643	
12							
13							

Part III Explanations—Enter the Part II item number before each explanation. If more space is needed, continue your explanations on the back.

ITEM 10 EXPLANATION - SEE STATEMENT ATTACHED

The Fox Family Foundation
23-3092389
December 31, 2009

**Form 8082, Notice of Inconsistent Treatment or Administrative
Adjustment Request**

PART III - Explanations:

Taxpayer is a partner in SDS/Procida Equities, LLC (26-0342690). See lines 4 and 5 on form 8082.

Based upon any and all information available to Taxpayer:

- Taxpayer believes that SDS/Procida Equities LLC's and two of its pass through entities entered into two sale transactions with related parties in 2008 that resulted in losses. Taxpayer believes that the losses recognized by SDS/Procida Equities LLC in 2008 for these transactions in 2008 were as follows:

<u>Passthrough Entity to SDS Procida Equities LLC</u>	<u>Tax ID #</u>	2008 SDS/Procida Equities
		Ordinary Loss Not Reported <u>By Taxpayer in 2008</u>
90 William St. Development Group, LLC	20-2467432	(5,883,758)
196 Livingston Street Development Group LLC	20-2919636	(6,801,415)
GPF 196 Livingston, LLC	20-3995286	<u>(1,201,513)</u>
		13,886,686

- Taxpayer believes that these losses were required to be deferred in 2008 and a portion of these losses are still required to be deferred in 2009, since there is not substantial authority to claim the benefit of these losses.
- Taxpayer believes that the benefit from the loss transactions is required to be deferred:
 - In accordance with IRC § 707(b)(1); and
 - Pursuant to Common Law doctrines such as "lack of business purpose", "sham transaction", "substance over form" and "lack of economic substance".
- Taxpayer did not claim the benefits of these loss transactions on their tax return for the period ended December 31, 2008; rather, Taxpayer treated the loss as deferred.
- Based upon all financial information available to Taxpayer, Taxpayer believes that part of the 2008 benefits of the loss transaction resulting in \$5,883,758 of loss that was treated as deferred in 2008 are now allowable in 2009 as a result of the sale of 70.38% of the partnership assets involved in this transaction to independent third parties.

The following Schedule computes the portion on the net 2008 deferred loss deducted in 2009 for Taxpayer.

		<u>2008 Ordinary Loss</u> <u>Recognized by SDSP &</u> <u>Not Reported By</u>	
<u>Passthrough Entry to SDS Procida Equities LLC</u>	<u>Tax ID #</u>	<u>Taxpayer in 2008</u>	<u>Nature of Loss Not Reported By Tax Payer in 2008</u>
90 William St Development Group, LLC	20-2467432	(5,883,758)	Ordinary loss from sale of condo units held in inventory to 90 William Holding LLC (tax ID #26-3942153)
196 Livingston Street Development Group LLC	20-2919636	(6,801,415)	Ordinary loss from sale of 50% interest in 196 Livingston Development LLC to SDSP Schermerhorn LLC (tax ID #26-3977068)
GPF 196 Livingston, LLC	20-3995286	(1,201,513)	Loss from sale of GPF 196 Livingston LLC's sale of a 50% interest in 196 Livingston St Dev Group to SDSP Schermerhorn LLC

SDSP Equities Gross Loss Deemed Recoverable in 2009 from Sale of 70.38% of assets related to 2008 loss passthrough from 90 Wm Dev Grp #20-2467436	(4,140,989)
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	2008 SDS Procida Equities Income Reported by Taxpayer on 2008 return	2008 Gross Unreported Losses Deemed Recoverable in 2009 (from 1A)	Net Losses Deemed Recoverable in 2009 (Line 1)	Add in 2008 Net RE Income & 1231 gains from Lines 2 & 10	SDS Procida Equities Final Net Loss Deemed Recognizable in 2009
SDS PROCIDA EQUITIES, LLC—Partial List of Partners					
Fox Family Foundation	71,693	(47,998)	(42,394)	4,751	(37,643)
Fox Financial Investments	28,112	(18,821)	(16,628)	1,864	(14,764)
Fox Grandchildren, LP	19,681	(13,177)	(11,635)	1,304	(10,331)
Fox IV Investments, LLC	120,891	(80,936)	(71,492)	8,011	(63,481)
Sandra W Fox (old JWTR0S w/GWF)	112,460	(75,291)	(66,501)	7,452	(59,049)
Sandra W Fox	112,460	(75,291)	(66,500)	7,452	(59,048)
G William Fox Trust	12,649	(8,468)	(7,482)	839	(6,643)
Michael Ratliff	14,059	(9,412)	(8,311)	932	(7,379)
Nancy Fox Lyons	7,026	(4,704)	(4,158)	466	(3,692)
Sara Fox	12,649	(8,468)	(7,484)	838	(6,646)
Tacie Fox	49,204	(32,942)	(29,095)	3,260	(25,835)
Tacie Fox & Michael Ratliff	28,112	(18,821)	(16,628)	1,863	(14,765)
TOTALS	588,996	(394,330)	(348,307)	39,032	(309,275)

The adjustments disclosed in Part II are necessary to recognize the part of the loss treated as deferred in 2008.

A copy of Form 8886 filed in 2008 for 2008 is attached. Refer to the detail description for additional information.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
BOARDWALK PIPELINE PARTNERS, LP - K-1	3.
GRAMERCY MEXICO LLC - K-1	5,306.
HOLDING PARTICIPANTS LLC - K-1	3,188.
LINN ENERGY LLC - K-1	17.
MAYERCAP FINANCING FUND LP - K-1	621.
REGENCY ENERGY PARTNERS, L.P. - K-1	72.
SDS/PROCIDIA EQUITIES, LLC - K-1	1,095.
STIFEL NICHOLAS	12.
TD BANK, N.A.	105.
UBS 77791	7,213.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	17,632.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MAYERCAP FINANCING FUND LP - K-1	165.	0.	165.
MORGAN STANLEY 098905	7,218.	0.	7,218.
SMITH BARNEY 043003	3,362.	11.	3,351.
STIFEL NICHOLAS	6,019.	48.	5,971.
UBS 01006	7,506.	0.	7,506.
UBS 76533	21.	0.	21.
UBS 77791	3.	0.	3.
TOTAL TO FM 990-PF, PART I, LN 4	24,294.	59.	24,235.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
GRAMERCY MEXICO LLC - PASSTHROUGH FROM K-1	142.	142.	
MAYERCAP FINANCING FUND - PASSTHROUGH FROM K-1	786.	786.	
DREAM VOYPORT LLC - PASSTHROUGH FROM K-1	<227.>	<227.>	
SDS/PROCIDIA EQUITIES, LLC - PASSTHROUGH FROM PARTNERSHIP	<105,307.>	<105,307.>	

90 WILLIAM HOLDING LLC - PASSTHROUGH FROM PARTNERSHIP	<3,598.>	<3,598.>
BOARDWALK PIPELINE PARTNERS, LP - PASSTHROUGH FROM PARTNERSHIP	<1,951.>	<1,951.>
LINN ENERGY, LLC - PASSTHROUGH FROM PARTNERSHIP	857.	857.
TOTAL TO FORM 990-PF, PART I, LINE 11	<109,298.>	<109,298.>

FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
F/B/O SERVICES, INC.	4,500.	4,500.		0.
TO FORM 990-PF, PG 1, LN 16B	4,500.	4,500.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES - MORGAN STANLEY 43003	719.	719.		0.
FOREIGN TAXES - STIFEL NICHOLAUS	205.	205.		0.
FOREIGN TAXES - UBS 01006	51.	51.		0.
FOREIGN TAXES - GRAMERCY MEXICO K-1	64.	64.		0.
TO FORM 990-PF, PG 1, LN 18	1,039.	1,039.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
GRAMERCY MEXICO LLC - PORTFOLIO DEDUCTIONS FROM K-1	8,716.	8,716.			0.
MAYERCAP FINANCING FUND LP - PORTFOLIO DEDUCTIONS FROM K-1	4,292.	4,292.			0.
MORGAN STANLEY 098905 - INVESTMENT & ADVISORY FEES	2,100.	2,100.			0.
SMITH BARNEY 43003 - INVESTMENT & ADVISORY FEES	4,147.	4,147.			0.
STIFEL NICHOLAS - INVESTMENT & ADVISORY FEES	2,702.	2,702.			0.
UBS 01006 - INVESTMENT & ADVISORY FEES	2,905.	2,905.			0.
BOARDWALK PIPELINE PARTNERS, LP - OTHER DEDUCTIONS FROM K-1	5.	5.			0.
LINN ENERGY, LLC - PORTFOLIO DEDUCTIONS FROM K-1	4,127.	4,127.			0.
UBS 76533 - INVESTMENT AND ADVISORY FEES	150.	150.			0.
TD BANK - BANK FEES	125.	125.			0.
UBS 77791 - INVESTMENT AND ADVISORY FEES	969.	969.			0.
TO FORM 990-PF, PG 1, LN 23	30,238.	30,238.			0.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
DESCRIPTION	AMOUNT		
BOOK ADJUSTMENT - BOOK LOSS IN EXCESS OF TAX	40,045.		
TOTAL TO FORM 990-PF, PART III, LINE 5	40,045.		

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	8
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL SECURITIES		X	212,967.	266,153.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			212,967.	266,153.
TOTAL TO FORM 990-PF, PART II, LINE 10A			212,967.	266,153.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	1,037,735.	1,079,401.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,037,735.	1,079,401.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GRAMERCY MEXICO NPL FUND II LLC	COST	10,182.	10,182.
MAYERCAP FINANCING FUND LP	COST	28,619.	28,619.
SDS/PROCIDA EQUITIES LLC	COST	<89,412.>	<89,412.>
DREAM VOYPORT LLC	COST	0.	0.
CRESCENT ASSET MANAGEMENT LTD	COST	100,000.	100,000.
SDS 2008 LLC	COST	0.	0.
BOARDWALK PIPELINE	COST	23,768.	41,505.
EDISON PHARMASEUTICALS	COST	99,992.	99,992.
REGENCY ENERGY	COST	12,432.	49,720.
LINN ENERGY	COST	20,073.	56,865.
AMPERE LIFE SCIENCES	COST	100,000.	100,000.
90 WILLIAM HOLDING	COST	9,991.	9,991.
HOLDING PARTICIPANTS	COST	34,927.	34,927.
SDSP SCHERMERHORN	COST	46,088.	65,862.
TOTAL TO FORM 990-PF, PART II, LINE 13		396,660.	508,251.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 11
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SANDRA W. FOX 1409 KINGS HWY N, 3RD FLOOR CHERRY HILL, NJ 08034	TRUSTEE 1.00	0.	0.	0.
G. WILLIAM FOX, JR. 1409 KINGS HWY N, 3RD FLOOR CHERRY HILL, NJ 08034	TRUSTEE 1.00	0.	0.	0.
TACIE J. FOX 1409 KINGS HWY N, 3RD FLOOR CHERRY HILL, NJ 08034	TRUSTEE 1.00	0.	0.	0.
NANCY E. FOX LYONS 1409 KINGS HWY N, 3RD FLOOR CHERRY HILL, NJ 08034	TRUSTEE 1.00	0.	0.	0.
SARA L. FOX 1409 KINGS HWY N, 3RD FLOOR CHERRY HILL, NJ 08034	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF PART XV - LINE 1A STATEMENT 12
 LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

SANDRA W. FOX
 G. WILLIAM FOX, JR.
 TACIE J. FOX
 NANCY E. FOX LYONS
 SARA L. FOX