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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**

OMB No 1545-0052

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 PALUCH FAMILY FOUNDATION C/O JOHN D MARSHALL		A Employer identification number 36-7106905
Number and street (or P O box number if mail is not delivered to street address) 520 N HICKS RD		B Telephone number (see instructions) 847-991-3150
City or town, state, and ZIP code PALATINE IL 60067		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change </div> <div> <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change </div> </div>		D 1 Foreign organizations check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,058,098	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	36,235			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	13,325	13,325		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,861			
	b Gross sales price for all assets on line 6a 87,878				
	7 Capital gain net income (from Part IV, line 2)		3,861		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	53,421	17,186	0	
	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See Stmt 1	1,575	1,575		
	b Accounting fees (attach schedule) Stmt 2	480	480		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	169			169
22 Printing and publications	250			250	
23 Other expenses (att sch) Stmt 3	15			15	
24 Total operating and administrative expenses. Add lines 13 through 23	2,489	2,055	0	434	
25 Contributions, gifts, grants paid	24,200			24,200	
26 Total expenses and disbursements. Add lines 24 and 25	26,689	2,055	0	24,634	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	26,732				
b Net investment income (if negative, enter -0-)		15,131			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	7,345	9,735	9,735
	2	Savings and temporary cash investments	3,117	6,136	6,136
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) Stmt 4		50,490	70,295
	b	Investments—corporate stock (attach schedule) See Stmt 5	933,834	904,666	971,932
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	944,296	971,027	1,058,098
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	944,296	971,027	
	30	Total net assets or fund balances (see instructions)	944,296	971,027	
	31	Total liabilities and net assets/fund balances (see instructions)	944,296	971,027	

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	944,296
2	Enter amount from Part I, line 27a	2	26,732
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	971,028
5	Decreases not included in line 2 (itemize) ▶ See Statement 6	5	1
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	971,027

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE ATTACHED W. BLAIR STMNT		P	Various	Various
b SEE ATTACHED W. BLAIR STMNT		P	Various	Various
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 10,359		9,769	590
b 77,519		74,248	3,271
c			
d			
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			590
b			3,271
c			
d			
e			

2 Capital gain net income or (net capital loss)

If gain, also enter in Part I, line 7
If (loss), enter -0- in Part I, line 7

2**3,861****3** Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)

If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in
Part I, line 8

3**590****Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	43,515	905,487	0.048057
2009	20,685	675,102	0.030640
2008	16,500	630,991	0.026149
2007	6,000	686,001	0.008746
2006	32,450	486,251	0.066735

2 Total of line 1, column (d)**2****0.180327****3** Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years**3****0.036065****4** Enter the net value of noncharitable-use assets for 2011 from Part X, line 5**4****1,088,472****5** Multiply line 4 by line 3**5****39,256****6** Enter 1% of net investment income (1% of Part I, line 27b)**6****151****7** Add lines 5 and 6**7****39,407****8** Enter qualifying distributions from Part XII, line 4**8****24,634**

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	1	303
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	303
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	303
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	234
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	234
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	69
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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 \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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
4b 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) ▶		
IL		
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	

N/A

Stmnt 7

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 ► JOHN D MARSHALL 520 N HICKS RD STE 120 Located at ► PALATINE	Telephone no ► 847-991-3150 IL ZIP+4 ► 60067		
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		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	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?	N/A	1c
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)	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)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MARY L RAFFERTY 323 E KENMORE	ELMHURST IL 60126	TRUSTEE 1.00	0	0
MICHELLE PRECIN 641 S WILLIAMS	PALATINE IL 60067	TRUSTEE 0.25	0	0
ROSE ANN BIERNAT 817 DERBYSHIRE	PROSPECT HEIGHTS IL 60070	TRUSTEE 0.25	0	0

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

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

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

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 (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,094,306
b	Average of monthly cash balances	1b	10,742
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,105,048
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	1,105,048
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	16,576
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,088,472
6	Minimum investment return. Enter 5% of line 5	6	54,424

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	54,424
2a	Tax on investment income for 2011 from Part VI, line 5	2a	303
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	303
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	54,121
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	54,121
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	54,121

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	24,634
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	24,634
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24,634

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				54,121
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 24,634				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
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 XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

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

Part XV Supplementary Information (Complete this part only if the 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))
NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

b The form in which applications should be submitted and information and materials they should include
N/A

c Any submission deadlines
N/A

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

Part XV Supplementary Information (continued)

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

DAA

Part XVI-A

Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities			14	13,325	
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	3,861	
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		17,186	0
13	Total. Add line 12, columns (b), (d), and (e)				13	17,186

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

- 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
- (2)** Other assets
- b** Other transactions
- (1)** Sales of assets to a noncharitable exempt organization
- (2)** Purchases of assets from a noncharitable exempt organization
- (3)** Rental of facilities, equipment, or other assets
- (4)** Reimbursement arrangements
- (5)** Loans or loan guarantees
- (6)** Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- d** If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

[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		

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 instructions)? ☐ Yes

**Sign
Here**

Signature of officer or trustee

Date _____

Title

Paid

Print/Type preparer's name

Preparer's signature

Date _____


Check ☒ if self-employed

Preparer | John D Marshall

Use Only	Firm's name ▶	John Marshall
----------	---------------	---------------

PTIN P01323986

Firm's address ► 520 N Hicks Rd Ste 120
Palatine, IL 60067-3607

Firm's EIN 

Phone no **847-991-3150**

Form **990-PF** (2011)

Federal Statements

36-7106905

FYE: 12/31/2011

Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 1,575	\$ 1,575	\$	\$
Total	\$ 1,575	\$ 1,575	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 480	\$ 480	\$	\$
Total	\$ 480	\$ 480	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
FILE FEES	15			15
Total	\$ 15	\$ 0	\$ 0	\$ 15

Federal Statements

36-7106905

FYE: 12/31/2011

Statement 4 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GOVT. BONDS	\$	\$ 50,490	Cost	\$ 70,295
Total	\$ 0	\$ 50,490		\$ 70,295

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
WILLIAM BLAIR	\$ 933,834	\$ 904,666	Cost	\$ 971,932
Total	\$ 933,834	\$ 904,666		\$ 971,932

Federal Statements**Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
ROUNDING ADJUSTMENT	\$ 1
Total	\$ 1

Federal Statements

Statement 7 - Form 990-PF, Part VII-A, Line 10 - Substantial Contributors

Name	Address	City, State, Zip
Mary Rafferty	323 E. KENMORE	ELMHURST IL 60126

Federal Statements**Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000**

Name of Manager	Amount
NONE	\$
Total	\$ 0

Form 990-PF, Part XV, Line 1b - Managers Who Own 10% or More Stock

Name of Manager	Amount
NONE	\$
Total	\$ 0

William Blair & Company, L.L.C.
PALUCH FAMILY FOUNDATION
REALIZED GAINS AND LOSSES

156-71517-15 RR# 294

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Unit Cost	Cost Basis	Amort. or Accretion	Unit Price	Proceeds	Gain Or Loss	
									Short Term	Long Term
11-20-08	01-12-11	200	PROSHARES ULTRA	21 11	4,223		49 06	9,812		5,588 92
			S&P500 ETF							
11-16-09	02-09-11	300	DUKE ENERGY CORPORATION	16 33	4,899		17 43	5,231		332 17
			(HOLDING COMPANY)							
04-29-10	02-09-11	500	GENERAL ELECTRIC CO	19 53	9,769		20 71	10,359	589 86	
01-15-08	02-09-11	100	PROSHARES ULTRA QQQ	83 56	8,356		90 62	9,062		705 53
			ETF							
11-20-08	02-09-11	200	PROSHARES ULTRA	21 11	4,223		51 78	10,356		6,133 01
			S&P500 ETF							
01-15-08	02-14-11	100	PROSHARES ULTRA QQQ	83 56	8,356		92 53	9,253		896 76
			ETF							
01-17-08	02-14-11	25	PROSHARES ULTRA QQQ	79 66	1,991		92 53	2,313		321 57
			ETF							
01-17-08	04-07-11	100	PROSHARES ULTRA QQQ	79 66	7,966		87 93	8,793		827 00
			ETF							
01-17-08	04-21-11	100	PROSHARES ULTRA QQQ	79 66	7,966		91 97	9,197		1,230 99
			ETF							
11-20-08	04-28-11	100	PROSHARES ULTRA	21 11	2,111		54 97	5,497		3,385 15
			S&P500 ETF							
07-11-01	06-15-11	300	CELERA CORPORATION	31 78	9,535		8 00	2,400		-7,135 00
10-24-01	06-15-11	400	CELERA CORPORATION	26 60	10,640		8 00	3,200		-7,440 00
11-12-03	06-15-11	300	CELERA CORPORATION	13 25	3,975		8 00	2,400		-1,575 00
TOTAL GAINS									589 86	19,421 10
TOTAL LOSSES									0 00	-16,150 00
TOTAL REALIZED GAIN/LOSS									87,878	3,271.10

This report supplements but in no way supersedes your monthly statements, which are the official record of your account. We urge you to compare this report with your William Blair & Company (or other custodian) monthly statement to ensure that the funds or securities in each such statement are consistent. This information has been taken from sources we believe to be reliable, however, no representation is made as to the accuracy or completeness, and should not be used for tax reporting purposes without

William Blair & Company®

Account Number: 156-71517-1-5-294
 Account Name: MARY RAFFERTY & MICHELLE
 PRECIN & ROSE BIERNAT TTEES
 PALUCH FAMILY FOUNDATION

CLIENT STATEMENT

	<u>Current Month</u>	<u>Year to Date</u>	<u>Cash Balances</u>	<u>Current Month</u>	<u>11/30/11</u>
Taxable Dividends	2,325.95	13,292.33	Cash Account	332.54	0.00
Taxable Interest	0.00	555.13			
Money Market Earnings	0.04	1.03			
Total Income	2,325.99	13,848.49			

Total cash balance as of 12/31/10 was \$151.65

This summary presented for reference only. Please consult Form 1099 issued at year-end for tax reporting purposes.

DETAIL

Security Listing

CASH			1.00	333	
WILLIAM BLAIR FUNDS			1.00	5,803	
READY RESERVES FUND					
Total Cash & Equivalents				6,136	
Equities & Options					
BANK OF AMERICA CORP	BAC	1,250	5.56	6,950	(8,038)
CHARLES SCHWAB CORP NEW	SCHW	1,000	11.26	11,260	(8,613)
CITIGROUP INC	C	400	26.31	10,524	(11,447)
COM NEW					
COMPUWARE CORP	CPWR	1,000	8.32	8,320	(13,018)

William Blair & Company®

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 PALUCH FAMILY FOUNDATION

CLIENT STATEMENT

Security Listing - continued

Equities & Options

DUKE ENERGY CORPORATION (HOLDING COMPANY) NEW	DUK	700	14.35	10,050	22.00	15,400	5,350	700
EMC CORP-MASS	EMC	2,000	17.03	34,068	21.54	43,080	9,012	308
FASTENAL CO	FAST	550	9.16	5,041	43.61	23,986	18,945	1,360
GENERAL ELECTRIC CO	GE	2,000	14.45	28,910	17.91	35,820	6,910	735
GOLDMAN SACHS GROUP INC	GS	525	50.19	26,352	90.43	47,476	21,124	432
HEWLETT PACKARD CO	HPQ	900	38.25	34,426	25.76	23,184	(11,242)	576
ICF INTL INC	ICFI	1,400	24.56	34,384	24.78	34,692	308	1,260
ILLINOIS TOOL WORKS INC	ITW	400	51.36	20,547	46.71	18,684	(1,863)	1,050
INTEL CORP	INTC	1,500	21.79	32,689	24.25	36,375	3,686	240
INTERNATIONAL PAPER CO	IP	1,000	29.12	29,125	29.60	29,600	475	
INTUIT INC	INTU	400	20.85	8,340	52.59	21,036	12,696	
LIME ENERGY CO NEW	LIME	2,000	5.50	11,000	3.18	6,360	(4,640)	
LOWES COMPANIES INC	LOW	800	25.62	20,501	25.38	20,304	(197)	448
MICRON TECHNOLOGY INC	MU	4,000	12.71	50,851	6.29	25,160	(25,691)	
MICROSOFT CORP	MSFT	1,000	25.52	25,525	25.96	25,960	435	800
ORACLE CORP	ORCL	1,700	22.41	38,110	25.65	43,605	5,495	408
PFIZER INC	PFE	1,000	29.37	29,370	21.64	21,640	(7,730)	880

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PRECIN & ROSE BIERNAT TTEES
PALUCH FAMILY FOUNDATION

CLIENT STATEMENT

Security Listing - continued

Equities & Options									
POWERSHARES QQQ TRUST SERIES 1	QQQ	1,400	49.76	69,676	55.83	78,162	8,486	648	
PRICE T ROWE GROUP INC	TROW	700	34.49	24,146	56.95	39,865	15,719	868	
PROSHARES ULTRA QQQ ETF	QLD	575	42.59	24,493	81.46	46,840	22,347		
PROSHARES ULTRA S&P500 ETF	SSO	900	21.11	19,007	46.39	41,751	22,744	233	
PROSHARES ULTRA SEMICONDUCTORS ETF	USD	1,500	51.30	76,957	33.90	50,850	(26,107)	83	
ROBERT HALF INTERNATIONAL INC	RHI	400	13.98	5,593	28.46	11,384	5,791	224	
SMARTHEAT INC	HEAT	1,000	9.00	9,000	0.32	320	(8,680)		
SPDR S&P 500 ETF TR UNIT SER I S&P DEPOSITARY RECEIPT	SPY	200	126.90	25,381	125.50	25,100	(281)	515	
STARBUCKS CORP	SBUX	1,000	23.25	23,259	46.01	46,010	22,751	680	
TEXAS INSTRUMENTS INC	TXN	400	31.38	12,552	29.11	11,644	(908)	272	
TIME WARNER CABLE INC	TWC	167	67.30	11,239	63.57	10,616	(623)	321	
TIME WARNER INC NEW	TWX	650	46.59	30,285	36.14	23,491	(6,794)	611	
UNION PACIFIC CORP	UNP	300	31.41	9,424	105.94	31,782	22,358	720	
VERISK ANALYTICS INC CL A	VRSK	500	27.25	13,625	40.13	20,065	6,440		

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PALUCH FAMILY FOUNDATION

CLIENT STATEMENT

Security Listing - continued
