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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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning JUL 1, 2011 , **and ending** JUN 30, 2012

Name of foundation
THE ZABAN FOUNDATION, INC.

A Employer identification number
58-6034590

Number and street (or P O box number if mail is not delivered to street address)
3475 LENOX ROAD N.E.

Room/suite
950

B Telephone number
404-262-2181

City or town, state, and ZIP code
ATLANTA, GA 30326

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 9,290,541.

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received			N/A	
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	382,389.	382,389.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-103,469.			STATEMENT 1
	b	Gross sales price for all assets on line 6a 1,834,476.				
	7	Capital gain net income (from Part IV, line 2)		0.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total.** Add lines 1 through 11	278,920.	382,389.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 3	9,500.	7,125.		2,375.
	c	Other professional fees STMT 4	30,288.	30,288.		0.
	17	Interest				
	18	Taxes STMT 5	31,526.	1,526.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 6	851.	0.		851.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	72,165.	38,939.		3,226.
	25	Contributions, gifts, grants paid	244,800.			244,800.
	26	**Total expenses and disbursements.** Add lines 24 and 25	316,965.	38,939.		248,026.
	27	Subtract line 26 from line 12				
	a	Excess of revenue over expenses and disbursements	-38,045.			
	b	**Net investment income** (if negative, enter -0-)		343,450.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	126,922.	29,332.	29,332.
	2	Savings and temporary cash investments	636,807.	335,298.	335,298.
	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			
	b	Investments - corporate stock STMT 7	3,858,037.	4,237,766.	3,598,152.
	c	Investments - corporate bonds STMT 8	1,557,107.	2,439,547.	2,506,705.
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 9	3,671,661.	2,770,596.	2,821,054.
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	9,850,534.	9,812,539.	9,290,541.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶ STATEMENT 10)	50.	100.	
	23	**Total liabilities** (add lines 17 through 22)	50.	100.	
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	0.	0.	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	9,850,484.	9,812,439.	
	30	**Total net assets or fund balances**	9,850,484.	9,812,439.	
	31	**Total liabilities and net assets/fund balances**	9,850,534.	9,812,539.	

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	9,850,484.
2	Enter amount from Part I, line 27a	2	-38,045.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	9,812,439.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	9,812,439.

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 STATEMENT			
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	1,834,476.		1,933,269.	-103,474.

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				-103,474.

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 -103,474.

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	254,468.	8,497,700.	.029946
2009	320,767.	7,686,206.	.041733
2008	290,122.	7,180,242.	.040406
2007	315,020.	6,525,067.	.048278
2006	577,065.	6,410,201.	.090023

2	Total of line 1, column (d)	2	.250386
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	.050077
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	8,953,352.
5	Multiply line 4 by line 3	5	448,357.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,435.
7	Add lines 5 and 6	7	451,792.
8	Enter qualifying distributions from Part XII, line 4	8	248,026.

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	6,869.
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	6,869.
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	6,869.
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	11,779.		
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	11,779.
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	4,910.
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶		4,910. **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?	1a		X
b	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*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ 0. **(2)** On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ GA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ STEPHEN M. BERMAN Telephone no ▶404-262-2181

Located at ▶3475 LENOX RD. N.E., SUITE 950, ATLANTA, GA ZIP+4 ▶30326

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

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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

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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ , , ,			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ , , ,			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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 VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

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

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

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	0.
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	0.

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12-02-11

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	8,412,694.
b	Average of monthly cash balances			1b	677,003.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	9,089,697.
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	9,089,697.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	136,345.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	8,953,352.
6	**Minimum investment return.** Enter 5% of line 5			6	447,668.

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	447,668.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	6,869.		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	6,869.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	440,799.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	440,799.
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	440,799.

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	248,026.
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	248,026.
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	248,026.

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				440,799.
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 182,401.				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	182,401.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 248,026.				
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				248,026.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	182,401.			182,401.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				10,372.
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 XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

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

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

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

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

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* STATEMENT C				244,800.
Total			▶ 3a	244,800.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	382,389.	
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	-103,469.	
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.		278,920.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 278,920.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)
	N/A

123621
12-02-11

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

▶ Judy Zaban 1/30/13 ▶

Signature of officer or trustee Date Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
STEPHEN BERMAN	Stephen M. Berman, CPA	1/30/13		P00031703

Firm's name ▶ STEPHEN M. BERMAN & ASSOC., L.L.C. Firm's EIN ▶ 58-1540139

Firm's address ▶ 3475 LENOX ROAD, N.E., SUITE 950
ATLANTA 30326

Phone no 404-262-2181

THE ZABAN FOUNDATION, INC.

CONTINUATION FOR 990-PF, PART IV
58-6034590 PAGE 1 OF 1

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	POWERSHARES DB COMMODITY INDEX FD - SCHED. K-1	P	VARIOUS	06/30/12
b	POWERSHARES DB COMMODITY INDEX FD - SCHED. K-1	P	VARIOUS	06/30/12
c	POWERSHARES DB COMMODITY INDEX FD - SEC 1256 SHOR	P	VARIOUS	06/30/12
d	POWERSHARES DB COMMODITY INDEX FD - SEC 1256 LONG	P	VARIOUS	06/30/12
e	MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	P	VARIOUS	VARIOUS
f	MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	P	04/02/07	06/29/12
g	MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	P	VARIOUS	VARIOUS
h	MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	P	VARIOUS	VARIOUS
i	CAPITAL GAINS DIVIDENDS			
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				-498.
b				-247.
c				-1,574.
d				-2,362.
e	68,996.		75,648.	-6,652.
f	46.		42.	4.
g	604,886.		642,925.	-38,039.
h	1,158,974.		1,214,654.	-55,680.
i	1,574.			1,574.
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				-498.
b				-247.
c				-1,574.
d				-2,362.
e				-6,652.
f				4.
g				-38,039.
h				-55,680.
i				1,574.
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	-103,474.
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

123591
05-01-11

MorganStanley
SmithBarney

Statement Linked Realized Gain/Loss - Detail

(07/01/11 - 06/30/12)
As of 11/02/2012

THE ZABAN FOUNDATION, INC.
(PM)
2660 PEACHTREE ROAD; UNIT 40-F
ATLANTA GA 30305-3683

Prepared by Merlin Wealth Management Group
Ph. 404-842-2300

Acct. 396-115779-110

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
Short Term							
GOOGLE INC-CL A 600.000 JUN C		1.000	06/18/12	-	01/26/12	$2,172.95	$2,172.95
CELGENE CORP 77.500 JUL C	0000AR2P1	5.000	06/21/12	30.00	02/16/12	2,294.10	2,264.10
LYONDELLBASELL NV CL- 37 500 JUN C	0000C3J99	15.000	06/15/12	2,175.00	12/20/11	3,403.73	1,228.73
CELGENE CORP 77.500 OCT C	0000CP64G	5.000	06/21/12	155.00	05/15/12	1,454.96	1,299.96
CELGENE CORP	CELG	500.000	02/16/12	37,769.25	06/21/12	29,834.88	(7,934.37)
	CELG	500.000	05/15/12	35,519.00	06/21/12	29,834.88	(5,684.12)
	Totals			$73,288.25		$59,669.76	$(13,618.49)
Short Term Totals:				$75,648.25		$68,995.50	$(6,652.75)
Long Term							
DUKE ENERGY CORP NEW	DUK	0.666	04/02/07	41.88	06/29/12	45.65	3.77
Long Term Totals:				$41.88		$45.65	$3.77
07/01/11 - 06/30/12 Short & Long Term Totals:				$75,690.13		$69,041.15	$(6,648.98)

Third-party and Morgan Stanley Smith Barney research on certain companies is available to clients of the firm at no cost. Clients can access this research at www.morganstanleysmithbarney.com or contact their Financial Advisor to request a copy of this research be sent to them.

CGMI Statement Linked Realized Gain/Loss - Detail
(07/01/11 - 06/30/12)

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(PM)
2660 PEACHTREE ROAD; UNIT 40-F
ATLANTA GA 30305-3683

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Ph. 404-842-2300

Acct. 396-115779-110

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
Short Term							
FREEPORT-MCMORAN COP	54487380	100,000.000	06/07/11	$104,553.30	03/14/12	$104,553.30	-
CALL CBOE MAR 12 @ 30.00	81099070	-20.000	09/19/11	-	03/19/12	2,255.35	$2,255.35
CALL AVGO OCT 11 @ 35.00	81947640	-15.000	08/30/11	-	10/24/11	2,087.95	2,087.95
CALL GOOG JAN 12 @ 600.00	82057110	-1.000	09/20/11	-	01/23/12	2,589.95	2,589.95
CALL CBOE SEP 11 @ 29.00	82059910	-20.000	02/18/11	-	09/19/11	3,319.93	3,319.93
CALL BWA OCT 11 @ 85.00	82205040	-8.000	03/02/11	-	10/24/11	3,408.41	3,408.41
CALL AVGO APR 12 @ 35.00	82454090	-10.000	01/23/12	-	04/23/12	1,945.16	1,945.16
CALL AVGO APR 12 @ 40.00	82454100	-15.000	10/31/11	-	04/23/12	2,708.64	2,708.64
CALL AVGO JUL 11 @ 35.00	82567560	-16.000	02/07/11	6,560.00	07/07/11	2,255.95	(4,304.05)
CALL MF DEC 11 @ 8.00	82900170	-59.000	06/21/11	826.00	08/11/11	3,775 92	2,949 92
CALL GILD NOV 12 @ 52.50	83300920	-14.000	03/28/12	7,546.84	04/19/12	3,919.92	(3,626.92)
CALL WHR DEC 11 @ 85.00	83481880	-8.000	06/21/11	472.00	08/09/11	2,799.94	2,327.94
CALL LYB OCT 11 @ 35.00	83592750	-5.000	09/02/11	-	10/24/11	874.98	874.98
CALL EP JAN 12 @ 22.50	83743640	-25.000	06/06/11	5,750.00	10/17/11	2,632.25	(3,117.75)
CALL TGT OCT 11 @ 55.00	83832800	-9.000	04/19/11	-	10/24/11	1,004.83	1,004.83
CALL VIX AUG 11 @ 27.50	84087400	200.000	07/27/11	18,000.00	08/01/11	8,556.00	(9,444.00)
CALL TGT APR 12 @ 60.00	84452880	-9.000	10/27/11	-	04/23/12	1,415.85	1,415.85
CALL GOOG SEP 11 @ 645.00	85263630	-1.000	02/07/11	-	09/19/11	3,499.93	3,499.93
CALL NOK JUL 11 @ 9.00	85539360	-30.000	03/07/11	-	07/18/11	1,259.97	1,259.97
CALL NOK JUL 11 @ 10.00	85539370	-60.000	02/18/11	-	07/18/11	2,639.94	2,639.94
CALL AVGO JAN 12 @ 35.00	85642830	-10.000	09/02/11	-	01/23/12	2,359.95	2,359.95
CALL LYB DEC 11 @ 37.50	85680450	-15.000	06/21/11	-	12/19/11	3,674.92	3,674.92
CALL AMZN JAN 12 @ 230.00	85694820	-2.000	08/10/11	-	01/23/12	2,027.36	2,027.36
CALL BWA JAN 12 @ 80.00	85738490	-8.000	10/24/11	-	01/23/12	2,634.66	2,634.66
CALL JPM JAN 12 @ 45.00	86363580	-10.000	06/21/11	-	01/23/12	1,559.97	1,559.97
CALL GLW NOV 11 @ 22.00	86522310	-20 000	05/20/11	40.00	08/30/11	1,679.96	1,639.96
CALL VZ OCT 11 @ 40.00	88520890	-17.000	04/08/11	-	10/24/11	1,698.94	1,698.94
CALL GLW AUG 11 @ 24.00	89695200	-13.000	02/07/11	-	08/22/11	1,793.96	1,793.96
AVAGO TECHNOLOGIES LTD ORD	AVGO	1,600.000	02/07/11	49,387.04	07/07/11	62,048.56	12,661.52
EL PASO CORP	EP	2,500.000	06/06/11	50,747.25	10/17/11	60,515.58	9,768.33
GILEAD SCIENCES INC	GILD	700.000	03/28/12	33,381.04	04/19/12	36,444.68	3,063.64
CORNING INC	GLW	2,000.000	12/27/10	38,899.00	08/30/11	29,566.03	(9,332.97)

MorganStanley
SmithBarney

CGMI Statement Linked Realized Gain/Loss - Detail
(07/01/11 - 06/30/12)

THE ZABAN FOUNDATION, INC.
(PM)
2660 PEACHTREE ROAD; UNIT 40-F
ATLANTA GA 30305-3683

Prepared by Merlin Wealth Management Group
Ph. 404-842-2300

Acct. 396-115779-110

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
	GLW	1,300.000	02/07/11	$29,650.01	08/30/11	$19,217.92	$(10,432.09)
	Totals			$68,549.01		$48,783.95	$(19,765.06)
LYONDELLBASELL INDU CL A	LYB	500.000	02/18/11	18,794.20	01/20/12	17,499.65	(1,294.55)
MF GLOBAL HOLDINGS LTD	MF	5,900.000	03/07/11	50,026.10	08/11/11	31,807.46	(18,218 64)
NOKIA CORP SPONSORED ADR	NOK	6,000.000	02/18/11	55,128.00	08/09/11	30,600.01	(24,527.99)
	NOK	3,000.000	03/07/11	25,076.10	08/09/11	15,300.00	(9,776.10)
	Totals			$80,204.10		$45,900.01	$(34,304.09)
UNION PACIFIC CORP	UNP	300.000	09/02/11	26,763.30	01/20/12	29,879.42	3,116.12
VIACOM INC SR NOTES 6.85%	VNVCL	2,000.000	12/27/10	50,039.20	12/16/11	50,179.03	139.83
WHIRLPOOL CORP	WHR	500.000	12/27/10	45,176.25	08/09/11	29,308.68	(15,867.57)
	WHR	300.000	02/07/11	26,109.00	08/09/11	17,585.21	(8,523.79)
	Totals			$71,285.25		$46,893.89	$(24,391.36)
Short Term Totals:				$642,924.63		$604,886.12	$(38,038.51)
Long Term							
KB HOME	52734090	15,000.000	12/29/05	15,000.00	08/15/11	15,000.00	-
AMERICAN HIGH INCOME TRUST	AHITX	17,784.131	01/19/96	258,759.11	04/03/12	196,692.49	(62,066.62)
	AHITX	20.606	12/31/96	309.29	04/03/12	227.90	(81.39)
	AHITX	6,510.417	07/02/97	100,000.00	04/03/12	72,005.21	(27,994.79)
	AHITX	209.673	12/30/97	3,176.55	04/03/12	2,318.98	(857.57)
	AHITX	392.466	12/30/97	5,945.86	04/03/12	4,340.67	(1,605.19)
	AHITX	88.760	12/30/98	1,248.85	04/03/12	981.69	(267.16)
	AHITX	50.646	01/03/08	600.15	04/03/12	560.15	(40.00)
	Totals			$370,039.81		$277,127.09	$(92,912.72)
BB&T CAPITAL TRUST VI 9.6%	BBTPRB	1,500.000	09/08/09	40,333.59	12/06/11	39,315.29	(1,018.30)
	BBTPRB	1,500.000	09/08/09	40,333.59	12/06/11	39,300.29	(1,033.30)
	Totals			$80,667.18		$78,615.58	$(2,051.60)
COMCAST CORP 7.0%	C5396070	1,999.000	12/27/10	50,173.90	04/20/12	49,975.00	(198.90)
CBOE HOLDINGS INC	CBOE	2,000.000	02/18/11	54,036.20	03/20/12	56,893.77	2,857.57
COMCAST CORP 7.0%	CCW	2,000.000	02/16/10	50,822.80	02/27/12	50,000.00	(822.80)
	CCW	1.000	12/27/10	25.10	02/27/12	25.00	-0.10
	Totals			$50,847.90		$50,025.00	$(822.90)
GROWTH FUND OF AMERICA CLASS	GFAFX	3,110.420	09/09/03	70,286.69	04/09/12	100,000.00	29,713.31
GILEAD SCIENCES INC	GILD	800.000	09/15/09	37,037.68	01/20/12	36,535.29	(502.39)

CGMI Statement Linked Realized Gain/Loss - Detail
(07/01/11 - 06/30/12)

THE ZABAN FOUNDATION, INC.
(PM)
2660 PEACHTREE ROAD; UNIT 40-F
ATLANTA GA 30305-3683

Prepared by Merlin Wealth Management Group
Ph. 404-842-2300

Acct. 396-115779-110

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
	GILD	700.000	04/26/10	$28,655.97	04/19/12	$36,444.68	$7,788.71
	Totals			$65,693.65		$72,979.97	$7,286.32
WESTERN ASSET HIGH INCOME FD	HIX	1,000.000	05/21/98	15,000.00	03/28/12	10,019.78	(4,980.22)
	HIX	2,000.000	05/21/98	30,000.00	03/28/12	20,039.55	(9,960.45)
	HIX	3,000.000	10/05/04	36,614.38	03/28/12	30,059.32	(6,555.06)
	Totals			$81,614.38		$60,118.65	$(21,495.73)
JPMORGAN CHASE & CO	JPM	820.000	05/15/02	26,400.61	04/02/12	33,070.02	6,669.41
	JPM	180.000	11/23/05	7,035.08	04/02/12	7,259.27	224.19
	Totals			$33,435.69		$40,329.29	$6,893.60
MERRILL LYNCH TR V 7.28% CUM	MERPRF	1,000.000	09/23/04	27,725.74	04/09/12	24,682.04	(3,043.70)
	MERPRF	1,500.000	09/23/04	41,596.27	04/09/12	37,023.07	(4,573.20)
	Totals			$69,322.01		$61,705.11	$(7,616.90)
PIMCO STRATEGIC GLOBAL	RCS	7,000.000	04/26/04	76,636.69	03/28/12	77,785.76	1,149.07
	RCS	51.399	05/20/04	518.00	03/28/12	571.15	53.15
	RCS	0.628	06/18/04	6.79	03/29/12	6.94	0.15
	RCS	47 601	06/18/04	515.01	03/28/12	528.96	13.95
	Totals			$77,676.49		$78,892.81	$1,216.32
VIACOM INC SR NOTES 6.85%	VNVCL	2,000.000	02/16/10	48,900.00	12/16/11	50,179.04	1,279.04
VERIZON COMMUNICATIONS	VZ	1,700.000	09/22/09	46,959.62	02/28/12	64,817.79	17,858.17
CAPITAL WORLD BOND FUND CLASS	WBFFX	507.218	10/29/09	10,291.63	04/03/12	10,529.85	238.22
	WBFFX	4,421.235	10/29/09	89,708.37	04/03/12	91,784.83	2,076.46
	Totals			$100,000.00		$102,314.68	$2,314.68
Long Term Totals:				$1,214,653.52		$1,158,973.78	$(55,679.74)
07/01/11 - 06/30/12 Short & Long Term Totals:				$1,857,578.15		$1,763,859.90	$(93,718.25)

THE ZABAN FOUNDATION, INC
Form 990-PF, Part II - Balance Sheets
6/30/12

DESCRIPTION	Book Value	FMV
Line 10b - Investments - Corporate Stock:		
Common Stock - purchased	3,000,878	2,453,378
Common Stock - donated	436,848	281,734
Total	3,437,726	2,735,112
Preferred Stock - purchased	800,040	863,040
Total Corporate Stock	4,237,766	3,598,152
Line 10c - Investments - Corporate Bonds:		
Corporate Bonds - purchased	2,338,907	2,405,945
Corporate Notes - purchased	100,640	100,760
Total Corporate Bonds	2,439,547	2,506,705
Line 13 - Investments - Other:		
Other Investments:		
Options - purchased	(44,897)	(31,970)
Mutual Funds - Purchased	2,600,694	2,652,815
Mutual Funds - Donated	214,799	200,209
Total - Other Investments	2,770,596	2,821,054
	9,447,909	8,925,911

STATEMENT B-1

Holdings

Portfolio Management Basic Securities Account
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

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This section reflects the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the "Unsettled Purchases/Sales Activity" section for more information.
The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date.
Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.
Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosure section.
New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Cash, Deposits and Money Market Funds are generally displayed on a settlement date basis. However, Global Currency Deposits may include both settled and unsettled positions. Estimated Annual Income, Accrued Interest and APY% will only be displayed for fully settled positions. In the event, all or a portion of a Global Currency Deposit position is unsettled as of month end, this data will not be available.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	$3,331.00			
MS U.S. GOVT MONEY MARKET TR	327,459.49	32.75	0.010	—

	Percentage of Assets %	Market Value	Estimated Annual Income *Accrued Interest*
CASH, DEPOSITS AND MONEY MARKET FUNDS	3.6%	$330,790.49	$32.75 $0.00

Money market funds seek to maintain a share price of $1.00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.
The money market funds reflected above include the balances in your automatic sweep feature, if any, and may include other money market funds that have been purchased in your account.

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AGL RESOURCES INC (GAS)	8/3/06	1,100.000	$37.900	$41,689.67	$42,625.00	$935.33 LT		
	3/20/07	D 2,500.000	41.126	~~102,813.76~~ D	96,875.00 D	(5,938.76) LT		
	Total	3,600.000		144,503.43	**139,500.00**	(5,003.43) LT	6,624.00	4.74
Share Price: $38.750; Next Dividend Payable 09/12				89,000-00				

CONTINUED

Holdings

Portfolio Management Basic Securities Account
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

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STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMAZON COM INC (AMZN)	8/10/11	200.000	198.725	39,744.98	45,670.00	5,925.02 ST		
	4/9/12	200 000	192.302	38,460 30	45,670 00	7,209.70 ST		
	Total	400.000		78,205.28	**91,340.00**	13,134.72 ST	—	—
Share Price: $228.350								
APPLE INC (AAPL)	4/19/12	100.000	587.928	58,792.80	**58,400.00**	(392.80) ST	—	—
Share Price: $584.000								
ASTRAZENECA PLC ADS (AZN)	2/7/11	1,500.000	47.667	71,501.10	**67,125.00**	(4,376.10) LT	4,200.00	6.25
Share Price: $44.750; Next Dividend Payable 09/12								
AT&T INC (T)	2/28/12	2,100.000	30.460	63,965.79	74,886.00	10,920.21 ST		
	3/28/12	900.000	31.409	28,268.10	32,094.00	3,825.90 ST		
	Total	3,000.000		92,233.89	**106,980.00**	14,746.11 ST	5,280.00	4.93
Share Price: $35.660; Next Dividend Payable 08/12								
AVAGO TECH (AVGO)	8/30/11	1,500.000	32.870	49,304.85	53,850.00	4,545.15 ST		
	9/2/11	1,000.000	31.165	31,165.00	35,900.00	4,735.00 ST		
	Total	2,500.000		80,469.85	**89,750.00**	9,280.15 ST	1,500.00	1.67
Share Price: $35.900; Next Dividend Payable 09/12								
BANK OF AMERICA CORP (BAC)	11/23/05	2,500.000	46.624	116,559.54	20,450.00	(96,109.54) LT		
	11/29/05	1,500.000	47.180	70,770.00	12,270.00	(58,500.00) LT		
	11/29/05	1,500.000	47.040	70,560.00	12,270.00	(58,290.00) LT		
	12/13/05	9,500.000	45.770	434,811.20	77,710.00	(357,101.20) LT		
	1/3/06	4,000.000 D	46.410	~~185,640.00~~ D	32,720.00 D	(152,920.00) LT		
	Total	19,000.000		878,340.74 138,520.00	**155,420.00**	(722,920.74) LT	760.00	0.48
Share Price: $8.180; Next Dividend Payable 09/12								
BORG WARNER INC (BWA)	3/2/11	800.000	76.200	60,960.32	**52,472.00**	(8,488.32) LT	—	—
Share Price: $65.590								
BRISTOL MYERS SQUIBB CO (BMY)	4/9/12	1,500.000	33.297	49,945.80	**53,925.00**	3,979.20 ST	2,040.00	3.78
Share Price: $35.950; Next Dividend Payable 08/12								
CENTURYLINK INC (CTL)	11/6/09	1,000.000	34.316	34,316.10	39,490.00	5,173.90 LT		
	9/2/11	500.000	34.384	17,192.20	19,745.00	2,552.80 ST		
	3/28/12	500.000	38.987	19,493.50	19,745.00	251.50 ST		

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	2,000.000		71,001.80	**78,980.00**	5,173.90 LT 2,804.30 ST	5,800.00	7.34
Share Price: $39.490; Next Dividend Payable 09/12								
CISCO SYS INC (CSCO)	1/27/06	1,000.000	18.870	18,870.00	17,170.00	(1,700.00) LT		
	2/27/06	1,000.000	19.830	19,830.00	17,170.00	(2,660.00) LT		
	11/29/10	1,000.000	19.400	19,399.80	17,170.00	(2,229.80) LT		
	3/7/11	1,400.000	18.197	25,475.80	24,038.00	(1,437.80) LT		
	Total	4,400.000		83,575.60	**75,548.00**	(8,027.60) LT	1,408.00	1.86
Share Price: $17.170; Next Dividend Payable 07/12								
CONAGRA FOODS INC (CAG)	12/29/05	3,000.000	20.260	60,780.00	77,790.00	17,010.00 LT		
	2/27/06	2,500.000	21.200	53,000.00	64,825.00	11,825.00 LT		
	Total	5,500.000		113,780.00	**142,615.00**	28,835.00 LT	5,280.00	3.70
Share Price: $25.930; Next Dividend Payable 09/12								
COUSINS PROPERTIES INC GA (CUZ)	3/20/07	1,400.000 D	34.325	~~48,055.41~~ D	10,850.00 D	(37,205.41) LT		
	4/3/07	1,100.000 ⊥	34.150	~~37,565.35~~ ⊥	8,525.00 ⊥	(29,040.35) LT		
	5/1/09	41.000	9.213	377.73	317.75	(59.98) LT		
	9/9/09	4,459.000	8.039	35,847.24	34,557.25	(1,289.99) LT		
	10/26/09	55.000	7.273	400.02	426.25	26.23 LT		
	2/1/10	53.000	7.300	386.90	410.75	23.85 LT		
	5/3/10	51.000	6.980	355.98	395.25	39.27 LT		
	8/2/10	49.000	6.950	340.55	379.75	39.20 LT		
	11/1/10	44.000	7.790	342.76	341.00	(1.76) LT		
	Total	7,252.000		123,671.94 67,000.00	**56,203.00**	(67,468.94) LT	1,305.36	2.32
Share Price: $7.750; Next Dividend Payable 08/12								
DIGITAL REALTY TRUST INC (DLR)	4/9/12	700.000	73.156	51,209.06	**52,549.00**	1,339.94 ST	2,044.00	3.88
Share Price: $75.070; Next Dividend Payable 09/12								
DUKE ENERGY CORP NEW	6/29/12	2,166.000	— Pending Corp. Action		**149,843.88**	N/A	—	—
Share Price: $69.180								
	2-13-06	1,000		49,108.76	69,180.00			
	4-2-07	1,166 D		~~73,931.03~~ D	80,663.88 D			
				122,439.79	149,843.88			
				64,853.00				

CONTINUED

Holdings

Portfolio Management Basic Securities Account
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

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STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
EMC CORP MASS (EMC)	3/28/12	3,000.000	29.948	89,842.50	**76,890.00**	(12,952.50) ST	—	—
Share Price: $25.630								
GENERAL ELECTRIC CO (GE)	2/13/06	3,000.000	33.200	99,600.00	62,520.00	(37,080.00) LT		
	6/18/07	2,500.000 D	38.336	~~95,840.44~~ D	52,100.00 D	(43,740.44) LT		
	Total	5,500.000		195,440.44 77,475.00	**114,620.00**	(80,820.44) LT	3,740.00	3.26
Share Price: $20.840, Next Dividend Payable 07/25/12								
GOOGLE INC-CL A (GOOG)	2/7/11	100.000	617.464	61,746.40	**58,007.00**	(3,739.40) LT	—	—
Share Price: $580.070								
JP MORGAN ALERIAN MLP INDEX ETN (AMJ)	12/7/09	2,000.000	26.908	53,816.00	77,520.00	23,704.00 LT		
	9/2/11	700.000	35.012	24,508.05	27,132.00	2,623.95 ST		
	Total	2,700.000		78,324.05	**104,652.00**	23,704.00 LT 2,623.95 ST	5,308.20	5.07
Share Price: $38.760; Structured Products								
JPMORGAN CHASE & CO (JPM)	11/23/05	1,000.000	39.084	39,083.79	**35,730.00**	(3,353.79) LT	1,200.00	3.35
Share Price: $35.730; Next Dividend Payable 07/12								
LAS VEGAS SANDS CORPORATION (LVS)	6/21/12	1,300.000	45.404	59,024.94	**56,537.00**	(2,487.94) ST	1,300.00	2.29
Share Price: $43.490; Next Dividend Payable 09/12								
LYONDELLBASELL NV CL-A (LYB)	2/18/11	1,000.000	37.588	37,588.40	40,270.00	2,681.60 LT		
	9/2/11	500.000	32.450	16,224.85	20,135.00	3,910.15 ST		
	Total	1,500.000		53,813.25	**60,405.00**	2,681.60 LT 3,910.15 ST	2,400.00	3.97
Share Price: $40.270; Next Dividend Payable 09/12								
MICROSOFT CORP (MSFT)	12/9/03	1,500.000	26.724	40,085.47	45,885.00	5,799.53 LT		
	11/23/05	2,000.000	28.176	56,351.80	61,180 00	4,828.20 LT		
	Total	3,500.000		96,437.27	**107,065.00**	10,627.73 LT	2,800.00	2.61
Share Price: $30.590; Next Dividend Payable 09/12								
NUVEEN FLOAT RATE INCM FUND (JFR)	3/20/07	3,500.000	14.142	49,496.86	40,565.00	(8,931.86) LT		
	6/3/11	2,000.000	12.620	25,240.00	23,180.00	(2,060.00) LT		
	6/3/11	2,000.000	12.620	25,240.00	23,180.00	(2,060.00) LT		
	6/3/11	800.000	12.620	10,096.00	9,272.00	(824.00) LT		

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Holdings

Portfolio Management Basic Securities Account
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THE ZABAN FOUNDATION, INC.
(PM)

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STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	6/6/11	601.000	12.588	7,565.39	6,965.59	(599.80) LT		
	6/6/11	2,000.000	12.589	25,177.00	23,180.00	(1,997.00) LT		
	6/6/11	599.000	12.580	7,535.42	6,942.41	(593.01) LT		
	Total	11,500.000		150,350.67	**133,285.00**	(17,065.67) LT	10,143.00	7.61
Share Price: $11.590; Next Dividend Payable 07/02/12								
NYSE EURONEXT (NYX)	3/20/12	1,900.000	30.010	57,019.00	**48,602.00**	(8,417.00) ST	2,280.00	4.69
Share Price: $25.580; Next Dividend Payable 09/12								
PARKER HANNIFIN CORP (PH)	2/17/12	400.000	88.717	35,486.80	30,752.00	(4,734.80) ST		
	3/28/12	400.000	85.294	34,117.60	30,752.00	(3,365.60) ST		
	Total	800.000		69,604.40	**61,504.00**	(8,100.40) ST	1,312.00	2.13
Share Price: $76.880; Next Dividend Payable 09/12								
PFIZER INC (PFE)	9/16/09	3,000.000	16.234	48,703.20	**69,000.00**	20,296.80 LT	2,640.00	3.82
Share Price: $23.000; Next Dividend Payable 09/12								
POWERSHARES DB COMM TRK INC (DBC)	2/7/11	3,400.000	28.778	97,846.22	**87,550.00**	(10,296.22) LT	—	—
Share Price: $25.750								
SCHLUMBERGER LTD (SLB)	4/9/12	700.000	67.507	47,255.04	**45,437.00**	(1,818.04) ST	770.00	1.69
Share Price: $64.910; Next Dividend Payable 07/13/12								
SIEMENS AKTIENGESELLSCHAFT (SI)	3/28/12	800.000	101.495	81,195.84	**67,256.00**	(13,939.84) ST	2,276.80	3.38
Share Price: $84.070; Next Dividend Payable 02/13								
SUNOCO INC (SUN)	4/9/12	1,000.000	38.627	38,627.20	**47,500.00**	8,872.80 ST	800.00	1.68
Share Price: $47.500; Next Dividend Payable 09/12								
TARGET CORPORATION (TGT)	11/29/10	900.000	56.558	50,902.20	**52,371.00**	1,468.80 LT	1,296.00	2.47
Share Price: $58.190; Next Dividend Payable 09/12								
UNDER ARMOUR INC CL A (UA)	5/15/12	500.000	95.156	47,578.00	**47,240.00**	(338.00) ST	—	—
Share Price: $94.480								
WISDOMTREE DREYFUS EMER CURR (CEW)	12/27/10	2,300.000	22.316	51,327.49	46,414.00	(4,913.49) LT		
	2/7/11	2,200.000	22.441	49,370.20	44,396.00	(4,974.20) LT		
	Total	4,500.000		100,697.69	**90,810.00**	(9,887.69) LT	—	—
Share Price: $20.180; Next Dividend Payable 12/12								
COMMON STOCKS				**$3,~~421,683~~.71** 3,437,725.51	**$2,735,111.88**	**$(848,660.51) LT** **$12,244.80 ST**	**$74,507.36** **$0.00**	**2.72%**

Holdings

Portfolio Management Basic Securities Account
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

INTERESTED PARTY COPY

STOCKS

PREFERRED STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
BANK OF AMERICA 8.20% SER H (BAC.H)	5/22/08	4,000.000	$25.010	$100,040.00	**$103,400.00**	$3,360.00 LT	$8,200.00	7.93
Share Price: $25.850; Moody B1 S&P BB+; Next Dividend Payable 08/12								
JPMORGAN CHASE 8.625% SER J (JPM.I)	8/14/08	28,000.000	25.000	700,000.00	**759,640.00**	59,640.00 LT	60,368.00	7.94
Share Price: $27.130; Moody BA1 S&P BBB; Next Dividend Payable 09/12								
PREFERRED STOCKS				**$800,040.00**	**$863,040.00**	**$63,000.00 LT**	**$68,568.00** **$0.00**	**7.94%**

OPTIONS

Security Description	Trade Date	Number of Contracts	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)
CALL AMAZON COM INC AT 205.000 EXPIRES 10/20/2012 (AMZN 121020C00205000)	4/9/12	(2.000)	$14.180	$(2,835.93)	**$(6,300.00)**	$(3,464.07) ST
Contract Price: $31.500; Short Position						
CALL AMAZON COM INC AT 210.000 EXPIRES 07/21/2012 (AMZN 120721C00210000)	1/23/12	(2.000)	10.618	(2,123.55)	**(3,870.00)**	(1,746.45) ST
Contract Price: $19.350; Short Position						
CALL APPLE INC AT 675.000 EXPIRES 10/20/2012 (AAPL 121020C00675000)	4/19/12	(1.000)	29.549	(2,954.93)	**(820.00)**	2,134.93 ST
Contract Price: $8.200; Short Position						
CALL AVAGO TECH AT 40.000 EXPIRES 10/20/2012 (AVGO 121020C00040000)	5/2/12	(25.000)	1.270	(3,173.92)	**(2,750.00)**	423.92 ST
Contract Price: $1.100; Short Position						
CALL BORG WARNER INC AT 85.000 EXPIRES 07/21/2012 (BWA 120721C00085000)	1/23/12	(8.000)	3.310	(2,647.86)	**0.00**	0.00 ST
Contract Price: $0.000; Short Position						
CALL EMC CORP MASS AT 32.000 EXPIRES 10/20/2012 (EMC 121020C00032000)	3/28/12	(30.000)	1.270	(3,809.93)	**(270.00)**	3,539.93 ST
Contract Price: $0.090; Short Position						

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STATEMENT B-1

Holdings

Portfolio Management Basic Securities Account
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

INTERESTED PARTY COPY

STOCKS

OPTIONS (CONTINUED)

Security Description	Trade Date	Number of Contracts	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)
CALL GOOGLE INC-CL A AT 620.000 EXPIRES 12/22/2012 (GOOG 121222C00620000) *Contract Price: $25.500; Short Position*	6/18/12	(1.000)	25.699	(2,569.94)	**(2,550.00)**	19.94 ST
CALL LAS VEGAS SANDS CORPORAT AT 50.000 EXPIRES 12/22/2012 (LVS 121222C00050000) *Contract Price: $2.050; Short Position*	6/21/12	(13.000)	3.052	(3,967.90)	**(2,665.00)**	1,302.90 ST
CALL LYONDELLBASELL NV CL-A AT 43.000 EXPIRES 09/22/2012 (LYB 120922C00043000) *Contract Price: $1.650; Short Position*	6/15/12	(15.000)	1.700	(2,549.94)	**(2,475.00)**	74.94 ST
CALL NYSE EURONEXT AT 32.000 EXPIRES 09/22/2012 (NYX 120922C00032000) *Contract Price: $0.000; Short Position*	3/20/12	(19.000)	1.158	(2,200.54)	**0.00**	0.00 ST
CALL PARKER HANNIFIN CP AT 90.000 EXPIRES 08/18/2012 (PH 120818C00090000) *Contract Price: $0.150; Short Position*	3/28/12	(4.000)	3.400	(1,359.97)	**(60.00)**	1,299.97 ST
CALL PARKER HANNIFIN CP AT 95.000 EXPIRES 08/18/2012 (PH 120818C00095000) *Contract Price: $0.050; Short Position*	2/17/12	(4.000)	4.600	(1,839.96)	**(20.00)**	1,819.96 ST
CALL SCHLUMBERGER LTD AT 72.500 EXPIRES 11/17/2012 (SLB 121117C00072500) *Contract Price: $1.990; Short Position*	4/9/12	(7.000)	4.200	(2,939.93)	**(1,393.00)**	1,546.93 ST
CALL SIEMENS AKTIENGESELLSCHA AT 110.000 EXPIRES 10/20/2012 (SI 121020C00110000) *Contract Price: $0.000; Short Position*	3/28/12	(8.000)	4.800	(3,839.93)	**0.00**	0.00 ST

CONTINUED

STOCKS

OPTIONS (CONTINUED)

Security Description	Trade Date	Number of Contracts	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)
CALL SUNOCO INC AT 41.000 EXPIRES 11/17/2012 (SUN 121117C00041000)	4/9/12	(10.000)	1.950	(1,949.95)	**(5,350.00)**	(3,400.05) ST
Contract Price: $5.350; Short Position						
CALL TARGET CORPORATION AT 60.000 EXPIRES 10/20/2012 (TGT 121020C00060000)	4/24/12	(9.000)	1.370	(1,232.97)	**(1,197.00)**	35.97 ST
Contract Price: $1.330; Short Position						
CALL UNDER ARMOUR, INC. AT 105.000 EXPIRES 10/20/2012 (UA 121020C00105000)	5/15/12	(5.000)	5.800	(2,899.93)	**(2,250.00)**	649.93 ST
Contract Price: $4.500; Short Position						
OPTIONS				**$(44,897.08)**	**$(31,970.00)**	**$4,238.75 ST**

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
STOCKS	**38.4%**	**$4,176,826.63**	**$3,566,181.88**	**$(785,660.51) LT $16,483.55 ST**	**$143,075.36 $0.00**	**4.01%**
TOTAL STOCKS (LONG)			$3,598,151.88			
TOTAL STOCKS (SHORT)			$(31,970.00)			

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
WACHOVIA CAPTL TRUST	4/28/11	250,000.000	$92.500	$231,250.00			$13,924.25	5.83
CUSIP 92978AAA0			$92.500	$231,250.00	**$238,750.00**	$7,500.00 LT	$580.17	
Unit Price: $95.500; Coupon Rate 5.569%; Perpetual Maturity; Interest Paid Quarterly Mar 15; Callable $100.00 on 07/30/12; Yield to Maturity 5.862%; Floater; Moody BAA3 S&P BBB+; Issued 02/01/06								
GOLDMAN SACHS GROUP LP	8/28/08	100,000.000	101.236	101,236.00			5,450.00	5.37
CUSIP 38144LAC4			100.108	100,108.38	**101,450.00**	1,341.62 LT	893.19	
Unit Price: $101.450; Coupon Rate 5.450%; Matures 11/01/12; Int. Semi-Annually May/Nov 01; Yield to Maturity 1.110%; Moody A3 S&P A-; Issued 10/18/07								
TRANSOCEAN INC	9/4/09	100,000.000	106.800	106,800.00			5,250.00	5.11
CUSIP 893830AR0			101.425	101,424.75	**102,699.00**	1,274.25 LT	1,531.25	
Unit Price: $102.699; Coupon Rate 5.250%, Matures 03/15/13; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 1.404%; Moody BAA3 S&P BBB-; Issued 12/11/07								

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Holdings

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THE ZABAN FOUNDATION, INC.
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CORPORATE FIXED INCOME

CORPORATE BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
MS BUFFERED PLUS BASED ON BASKET OF	3/28/11	150,000.000	100.000	150,000.00			—	—
COMMODITIES			100.000	150,000.00	**151,725.00**	1,725.00 LT	—	
CUSIP 617482TC8								
Unit Price: $101.150; Zero Coupon; Matures 03/28/13; Issued 03/31/11; Structured Products								
DOW CHEMICAL CO	12/9/10	100,000.000	115.665	115,665.00			7,600.00	6.82
CUSIP 260543BW2			108.755	108,754.90	**111,317.00**	2,562.10 LT	950.00	
Unit Price: $111.317; Coupon Rate 7.600%; Matures 05/15/14; Int. Semi-Annually May/Nov 15; Yield to Maturity 1.458%; Moody BAA3 S&P BBB; Issued 05/13/09								
GEORGIA PACIFIC CORP DEBENTURE	3/11/11	100,000.000	114.000	114,000.00			7,700.00	6.62
CUSIP 373298BM9			109.989	109,989.31	**116,174.00**	6,184.69 LT	320.83	
Unit Price: $116.174; Coupon Rate 7.700%; Matures 06/15/15; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 2.038%; Moody BAA3 S&P A-; Issued 06/09/95								
METLIFE INC	9/4/09	100,000.000	105.545	105,544.50			5,000.00	4.54
CUSIP 59156RAN8			102.997	102,996.65	**109,940.00**	6,943.35 LT	208.33	
Unit Price: $109.940; Coupon Rate 5.000%; Matures 06/15/15; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 1.549%; Moody A3 S&P A-; Issued 06/23/05								
SBC COMMUNICATIONS	9/4/09	100,000.000	108.792	108,792.00			5,625.00	4.85
CUSIP 78387GAL7			105.432	105,432.06	**115,778.00**	10,345.94 LT	234.37	
Unit Price: $115.778; Coupon Rate 5.625%; Matures 06/15/16; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 1.504%; Moody A2 S&P A-; Issued 08/18/04								
GENL ELECTRIC CAPITAL CORP	9/4/09	50,000.000	98.028	49,014.15			2,500.00	4.60
CUSIP 36966RW69			98.028	49,014.15	**54,344.00**	5,329.85 LT	729.16	
Unit Price: $108.688; Coupon Rate 5.000%; Matures 03/15/17; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 3.006%; Moody A1 S&P AA+; Issued 03/06/08								
GOLDMAN SACHS GROUP INC	2/16/10	100,000.000	107.591	107,591.00			6,250.00	5.74
CUSIP 38144LAB6			105.503	105,502.77	**108,727.00**	3,224.23 LT	2,065.97	
Unit Price: $108.727; Coupon Rate 6.250%; Matures 09/01/17; Int. Semi-Annually Mar/Sep 01; Yield to Maturity 4.345%; Moody A3 S&P A-; Issued 08/30/07								
EATON CORP	9/4/09	150,000.000	104.287	156,430.50			8,400.00	4.75
CUSIP 278058DD1			103.094	154,640.97	**176,803.50**	22,162.53 LT	1,050.00	
Unit Price: $117.869; Coupon Rate 5.600%; Matures 05/15/18; Int. Semi-Annually May/Nov 15; Yield to Maturity 2.328%, Moody A3 (-) S&P A-; Issued 05/20/08								
ARCELORMITTAL	3/28/12	75,000.000	105.597	79,197.75			4,593.75	6.14
CUSIP 03938LAF1			105.402	79,051.80	**74,790.00**	(4,261.80) ST	370.05	
Unit Price: $99.720; Coupon Rate 6.125%; Matures 06/01/18; Int. Semi-Annually Jun/Dec 01; Yield to Maturity 6.181%; Moody BAA3 S&P BBB-; Issued 05/27/08								
ALCOA INC	3/29/12	100,000.000	114.831	114,831.00			6,750.00	5.97
CUSIP 013817AS0			114.319	114,318.69	**113,051.00**	(1,267.69) ST	3,093.74	
Unit Price: $113.051; Coupon Rate 6.750%; Matures 07/15/18; Int. Semi-Annually Jan/Jul 15; Yield to Maturity 4.275%; Moody BAA3 S&P BBB-; Issued 07/15/08								

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THE ZABAN FOUNDATION, INC.
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CORPORATE FIXED INCOME

CORPORATE BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
CORNING INC	12/27/10	40,000.000	114.541	45,816.40				
CUSIP 219350AS4			112.313	44,925.21	48,763.20	3,837.99 LT		
	12/27/10	60,000.000	114.745	68,847.00				
			112.484	67,490.14	73,144.80	5,654.66 LT		
	Total	100,000.000		114,663.40			6,625.00	5.43
				112,415.35	**121,908.00**	9,492.65 LT	828.12	
Unit Price: $121.908; Coupon Rate 6.625%; Matures 05/15/19; Int. Semi-Annually May/Nov 15; Yield to Maturity 3.066%; Moody A3 S&P BBB+; Issued 05/12/09								
CENTURYTEL INC	12/16/11	100,000.000	102.680	102,680.00			6,150.00	5.96
CUSIP 156700AN6			102.531	102,530.94	**103,151.00**	620.06 ST	1,793.75	
Unit Price: $103.151; Coupon Rate 6.150%; Matures 09/15/19; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 5.611%; Moody BAA3 S&P BB; Issued 09/21/09								
GENERAL ELEC CAP CORP	4/3/12	100,000.000	113.244	113,244.00			5,550.00	4.85
CUSIP 36962G2T0			112.918	112,918.49	**114,224.00**	1,305.51 ST	863.33	
Unit Price: $114.224; Coupon Rate 5.550%; Matures 05/04/20; Int. Semi-Annually May/Nov 04; Yield to Maturity 3.463%, Moody A1 S&P AA+; Issued 05/04/07								
GAP INC	7/20/11	150,000.000	97.700	146,550.00			8,925.00	5.72
CUSIP 364760AK4			97.700	146,550.00	**156,000.00**	9,450.00 ST	1,859.37	
Unit Price: $104.000; Coupon Rate 5.950%; Matures 04/12/21; Int. Semi-Annually Apr/Oct 15; Callable $100.00 on 01/12/21; Yield to Call 5.359%; Moody BAA3 S&P BB+; Issued 04/12/11								
NUCOR CORP	12/9/10	125,000.000	97.134	121,417.50			5,156.25	3.69
CUSIP 670346AL9			97.134	121,417.50	**139,713.75**	18,296.25 LT	1,503.90	
Unit Price: $111.771, Coupon Rate 4.125%; Matures 09/15/22; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 2.791%; Moody A2 S&P A; Issued 09/21/10								
MS 7.5% CONTINGENT COUPON NOTES ON	9/24/10	100,000.000	100.000	100,000.00			—	—
S&P 500			100.000	100,000.00	**98,440.00**	(1,560.00) LT	—	
CUSIP 617482NL4								
Unit Price: $98.440; Coupon Rate 7.500%; Matures 09/29/22; Interest Paid Quarterly Dec 29; Yield to Maturity 7.721%; Floater; Trading Flat; Issued 09/29/10; Structured Products								
CITI RANGE ACCRUAL ON SPX 3ML	12/20/10	100,000.000	100.000	100,000.00			8,000.00	8.25
CUSIP 1730T0LG2			100.000	100,000.00	**96,960.00**	(3,040.00) LT	155.55	
Unit Price: $96.960; Coupon Rate 8.000%; Matures 12/23/25; Interest Paid Quarterly Mar 23; Callable $100.00 on 09/23/12; Yield to Maturity 8.380%; Floater; Issued 12/23/10; Structured Products								
CORPORATE BONDS				**$2,338,906.80**			**$119,449.25**	**4.96%**
				$2,308,316.71	**$2,405,945.25**	**$91,782.46 LT** **$5,846.08 ST**	**$19,031.08**	

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CORPORATE FIXED INCOME

FIXED-RATE CAPITAL SECURITIES

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
SUNTRUST CAP IX 7.875% 3/15/68	5/22/08	4,000.000	$25.160	$100,640.00			$7,874.80	7.81
CUSIP 867885105			$25.160	$100,640.00	**$100,760.00**	$120.00 LT	—	

Unit Price: $25.190; Coupon Rate 7.875%; Matures 03/15/68; Interest Paid Quarterly Sep 15; Callable $25.00 on 03/15/13; Moody BAA3 S&P BB+

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
CORPORATE FIXED INCOME		**$2,439,546.80**			**$127,324.05**	**5.08%**
		$2,408,956.71	**$2,506,705.25**	**$91,902.46 LT** **$5,846.08 ST**	**$19,031.08**	
TOTAL CORPORATE FIXED INCOME (incl.accr.int.)	**27.2%**		**$2,525,736.33**			

Watchlist and CreditWatch Indicators (*) = developing/uncertain (+) = On Watchlist/CreditWatch Upgrade (-) = On Watchlist/CreditWatch Downgrade
For more information on Watchlist and CreditWatch Indicators, please go to our website at www.morganstanley.com/bondratings or contact your financial advisor.

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MUTUAL FUNDS

OTHER MUTUAL FUNDS

"Total Purchases vs Market Value" is provided to assist you in comparing your "Total Purchases," excluding reinvested distributions, with the current value of the mutual fund positions in your account.

"Cumulative Cash Distributions" when shown, may reflect distributions on shares no longer held in the account It may not reflect all distributions received in cash; due to but not limited to the following investments made prior to addition of this information on statements, securities transfers, timing of recent distributions, and certain adjustments made in your account.

"Net Value Increase/ (Decrease)" reflects the difference between your total purchases, plus the cash distributions shown, and the current value of the fund's shares. This calculation is for informational purposes only and does not reflect your total unrealized gain or loss nor should it be used for tax purposes

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMERICAN CAP INC BUILDER F1 (CIBFX)	8/5/03	975.191	$43.068	$42,000.00	$49,900.52	$7,900.52 LT		
	8/5/03	1,346.693	43.068	58,000.00	68,910.28	10,910.28 LT		
	7/6/06	895.560	55.831	50,000.00	45,825.80	(4,174.20) LT		
	3/19/07	4,845.945	61.082	296,000.00	247,967.00	(48,033.00) LT		
	Purchases	8,063.389		446,000.00	**412,603.60**	(33,396.40) LT		
Long Term Reinvestments		463.281		27,695.39	23,706.08	(3,989.31) LT		
	Total	8,526.670		473,695.39	**436,309.70**	(37,385.71) LT	16,380.00	3.75
Total Purchases vs Market Value				446,000.00	436,309.70			
Cumulative Cash Distributions					4,095.36			
Net Value Increase/(Decrease)					(5,594.94)			
Share Price: $51.170; Dividend Cash; Capital Gains Reinvest								
AMERICAN EUROPACIFIC GRW F1 (AEGFX)	12/30/05	2,621.373	40.889	107,184.12	96,545.17	(10,638.95) LT		
	Purchases	2,621.373		107,184.12	**96,545.17**	(10,638.95) LT		
Long Term Reinvestments		338.390		9,092.86	12,462.90	3,370.04 LT		
	Total	2,959.763		116,276.98	**109,008.07**	(7,268.91) LT	1,727.00	1.58

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Holdings

Portfolio Management Basic Securities Account
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THE ZABAN FOUNDATION, INC.
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INTERESTED PARTY COPY

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total Purchases vs Market Value				107,184.12	109,008.07			
Net Value Increase/(Decrease)					1,823.95			
Share Price: $36.830; Dividend Cash; Capital Gains Reinvest								
AMERICAN FUNDAMENTAL INV F1 (AFIFX)	3/23/00	1,066.782	34.161	36,442.54	40,313.69	3,871.15 LT		
	1/17/01	2,839.067	31.573	89,636.72	107,288.34	17,651.62 LT		
	3/20/07	969.915 D	40.318	~~39,104.83~~ D	36,653.08 D	(2,451.75) LT		
	Purchases	4,875.764		165,184.09	**184,255.11**	19,071.02 LT		
Long Term Reinvestments		683.835		23,644.96	25,842.12	2,197.16 LT		
	Total	5,559.599		188,829.05	**210,097.25**	21,268.18 LT	2,808.00	1.33
Total Purchases vs Market Value				165,184.09	210,097.25			
Cumulative Cash Distributions				40,684.92	6,239.18			
Net Value Increase/(Decrease)					51,152.34			
Share Price: $37.790; Dividend Cash; Capital Gains Reinvest								
AMERICAN GR FD OF AMERICA F1 (GFAFX)	9/9/03	208.579	22.597	4,713.31	6,541.04	1,827.73 LT		
	9/16/03	2,212.666	22.597	50,000.00	69,389.21	19,389.21 LT		
	11/23/05	6,517.621	30.686	200,000.00	204,392.59	4,392.59 LT		
	12/15/05	496.869	31.332	15,567.91	15,581.81	13.90 LT		
	Purchases	9,435.735		270,281.22	**295,904.65**	25,623.43 LT		
Long Term Reinvestments		134.569		4,121.28	4,220.08	98.80 LT		
	Total	9,570.304		274,402.50	**300,124.73**	25,722.23 LT	2,067.00	0.68
Total Purchases vs Market Value				270,281.22	300,124.73			
Cumulative Cash Distributions					5,859.77			
Net Value Increase/(Decrease)					35,703.28			
Share Price: $31.360; Dividend Cash; Capital Gains Reinvest								
AMERICAN INC FD OF AMERICA F1 (IFAFX)	3/20/07	7,362.061	20.375	150,000.00	127,510.90	(22,489.10) LT		
	4/13/07	1,550.793	20.854	32,340.08	26,859.73	(5,480.35) LT		
	Purchases	8,912.854		182,340.08	**154,370.63**	(27,969.45) LT		
Long Term Reinvestments		530.320		10,291.59	9,185.14	(1,106.45) LT		
	Total	9,443.174 D		~~192,631.67~~ D	**163,555.77** D	(29,075.90) LT	6,196.00	3.78
Total Purchases vs Market Value				182,340.08	163,555.77			
Cumulative Cash Distributions					1,548.68			
Net Value Increase/(Decrease)				174,114.01	(17,235.63)			
Share Price: $17.320; Dividend Cash; Capital Gains Reinvest								

CONTINUED

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
BLACKROCK INFLAT PROT BOND I (BPRIX)	2/7/11	4,659.832	10.730	50,000.00	55,871.38	5,871.38 LT		
	5/31/11	4,500.450	11.110	50,000.00	53,960.39	3,960.39 LT		
	Total	9,160.282		100,000.00	**109,831.78**	9,831.77 LT	9,456.00	8.60
Total Purchases vs Market Value				100,000.00	109,831.78			
Cumulative Cash Distributions					4,188.64			
Net Value Increase/(Decrease)					14,020.42			
Share Price: $11.990; Dividend Cash; Capital Gains Cash								
CALAMOS MARKET NEUTRAL INC I (CMNIX)	9/22/09	4,468.275	11.190	50,000.00	55,227.87	5,227.87 LT		
	12/7/09	2,194.908	11.390	25,000.00	27,129.06	2,129.06 LT		
	11/29/10	2,118.644	11.800	25,000.00	26,186.43	1,186.43 LT		
	2/7/11	4,145.937	12.060	50,000.00	51,243.78	1,243.78 LT		
	5/31/11	2,049.180	12.200	25,000.00	25,327.86	327.86 LT		
	3/28/12	4,029.009	12.410	50,000.00	49,798.55	(201.45) ST		
	Purchases	19,005.953		225,000.00	**234,913.55**	10,115.00 LT (201.45) ST		
Long Term Reinvestments		121.018		1,435.45	1,495.78	60.33 LT		
Short Term Reinvestments		258.309		3,096.39	3,192.69	96.30 ST		
	Total	19,385.280		229,531.84	**239,602.06**	10,175.33 LT (105.15) ST	3,384.00	1.41
Total Purchases vs Market Value				225,000.00	239,602.06			
Cumulative Cash Distributions					1,681.58			
Net Value Increase/(Decrease)					16,283.64			
Share Price: $12.360; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
DOUBLELINE TOTAL RETURN I (DBLTX)	12/6/11	7,226.739	11.070	80,000.00	80,794.94	794.94 ST		
	3/28/12	5,338.078	11.240	60,000.00	59,679.71	(320.29) ST		
	4/3/12	8,960.573	11.160	100,000.00	100,179.21	179.21 ST		
	Total	21,525.390		240,000.00	**240,653.86**	653.86 ST	14,940.00	6.20

CONTINUED

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total Purchases vs Market Value				240,000.00	240,653.86			
Cumulative Cash Distributions					4,802.29			
Net Value Increase/(Decrease)					5,456.15			
Share Price: $11.180; Dividend Cash; Capital Gains Cash								
FORWARD TACTICAL GROWTH M (FTGMX)	8/3/10	3,272.302	25.670	84,000.00	85,014.41	1,014.41 LT		
	2/7/11	1,846.381	27.080	50,000.00	47,968.98	(2,031.02) LT		
	5/31/11	1,293.422	27.060	35,000.00	33,603.10	(1,396.90) LT		
	Purchases	6,412.105		169,000.00	**166,586.49**	(2,413.51) LT		
Short Term Reinvestments		33.926		852.90	881.40	28.50 ST		
	Total	6,446.031		169,852.90	**167,467.89**	(2,413.51) LT 28.50 ST	—	—
Total Purchases vs Market Value				169,000.00	167,467.89			
Net Value Increase/(Decrease)					(1,532.11)			
Share Price: $25.980; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
IVY ASSET STRATEGY I (IVAEX)	9/15/09	4,608.402	21.700	100,000.00	110,186.89	10,186.89 LT		
	12/7/09	1,101.920	22.688	25,000.00	26,346.91	1,346.91 LT		
	5/31/11	941.620	26.550	25,000.00	22,514.13	(2,485.87) LT		
	3/28/12	1,946.284	25.690	50,000.00	46,535.65	(3,464.35) ST		
	Purchases	8,598.226		200,000.00	**205,583.58**	9,047.93 LT (3,464.35) ST		
Short Term Reinvestments		96.442		2,210.45	2,305.93	95.48 ST		
	Total	8,694.668		202,210.45	**207,889.51**	9,047.93 LT (3,368.87) ST	—	—
Total Purchases vs Market Value				200,000.00	207,889.51			
Cumulative Cash Distributions					354.04			
Net Value Increase/(Decrease)					8,243.55			
Share Price: $23.910; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest								
MERGER FUND (MERFX)	9/15/09	6,570.302	15.220	100,000.00	103,613.66	3,613.66 LT		
	12/7/09	1,618.123	15.450	25,000.00	25,517.79	517.79 LT		
	2/23/10	4,774.029	15.710	75,000.00	75,286.43	286.43 LT		
	11/29/10	2,812.500	16.000	45,000.00	44,353.12	(646.88) LT		
	Total	15,774.954		245,000.00	**248,771.02**	3,771.00 LT	—	—

CONTINUED

CLIENT STATEMENT | For the Period June 1-30, 2012

Holdings

Portfolio Management Basic Securities Account-
396-115779-110

THE ZABAN FOUNDATION, INC.
(PM)

INTERESTED PARTY COPY

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total Purchases vs Market Value				245,000.00	248,771.02			
Cumulative Cash Distributions					11,703.95			
Net Value Increase/(Decrease)					15,474.97			
Share Price: $15.770; Dividend Cash; Capital Gains Cash								
NEUBERGER BERMAN HI INC BD INS (NHILX)	4/3/12	21,762.786	9.190	200,000.00	**200,217.63**	217.63 ST	12,912.00	6.44
Total Purchases vs Market Value				200,000.00	200,217.63			
Cumulative Cash Distributions					1,837.86			
Net Value Increase/(Decrease)					2,055.49			
Share Price: $9.200; Dividend Cash, Capital Gains Cash								
PIMCO EMERGING MKTS BD P (PEMPX)	12/7/09	9,606.148	10.410	100,000.00	112,680.11	12,680.11 LT		
	2/23/10	4,821.601	10.370	50,000.00	56,557.37	6,557.37 LT		
	4/3/12	4,284.490	11.670	50,000.00	50,257.06	257.06 ST		
	Total	18,712.239		200,000.00	**219,494.56**	19,237.48 LT 257.06 ST	9,708.00	4.42
Total Purchases vs Market Value				200,000.00	219,494.56			
Cumulative Cash Distributions					19,086.57			
Net Value Increase/(Decrease)					38,581.13			
Share Price. $11.730; Dividend Cash; Capital Gains Cash								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
MUTUAL FUNDS	30.8%	~~$2,832,430.78~~ 2,815,493.21	$2,853,023.83	$22,909.89 LT $(2,316.97) ST	$79,578.00 $0.00	2.79%

Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page.
For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	~~$9,418,214.12~~ 9,540,653.91	$9,256,701.45	$(670,848.16) LT $20,012.66 ST	$350,010.16 $19,031.08	3.77%

TOTAL VALUE (includes accrued interest)	$9,275,732.53

THE ZABAN FOUNDATION, INC.	EIN: 58-6034590	
Charitable Donations		
FYE 6/30/2012		
RECIPIENT	PURPOSE	AMOUNT
Anti-Defamation League	CIVIC	5,000.00
Atlanta Botanical Garden	CIVIC	1,500.00
Atlanta History Center	CIVIC	500.00
Atlanta Jewish Film Festival	CIVIC	5,000.00
Atlanta Symphony Orchestra	CIVIC	1,000.00
Camp Twin Lakes	CIVIC	1,000.00
Crohn's & Colitis Foundation	MEDICAL	4,000.00
Davis Academy	EDUCATIONAL	3,600.00
East Lake Neighbors Community Association	CIVIC	1,000.00
Friends of IDF	CIVIC	1,000.00
Genesis Shelter	CIVIC	1,000.00
Hands on Atlanta	CIVIC	1,000.00
High Museum of Art	ARTS	2,500.00
Jeffery Fashion Care	CIVIC	2,500.00
Jewish Family and Career Services	CIVIC	7,500.00
Jewish Federation of Greater Atlanta	CIVIC	120,000.00
Jewish Healthcare International	MEDICAL	1,000.00
Marcus Autism Center	MEDICAL	1,000.00
Marcus Jewish Community Center	CIVIC	30,000.00
Path Foundation	CIVIC	4,000.00
Red Cross Atlanta	CIVIC	1,000.00
The Epstein School	EDUCATIONAL	3,600.00
The Shepherd Center	MEDICAL	1,000.00
The Weber School	EDUCATIONAL	3,600.00
United Way	CIVIC	5,000.00
Weinstein Hospice	MEDICAL	2,000.00
William Breman Heritage Museum	CIVIC	3,500.00
William Breman Jewish Home	CIVIC	10,000.00
Woodruff Arts Center	ARTS	1,000.00
Zaban Couples Center	CIVIC	20,000.00
Totals		244,800.00

STATEMENT C

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
POWERSHARES DB COMMODITY INDEX FD - SCHED. K-1		VARIOUS	06/30/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	-498.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
POWERSHARES DB COMMODITY INDEX FD - SCHED. K-1		VARIOUS	06/30/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	-247.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
POWERSHARES DB COMMODITY INDEX FD - SEC 1256 SHORT-TERM		VARIOUS	06/30/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	-1,574.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
POWERSHARES DB COMMODITY INDEX FD - SEC 1256 LONG-TERM		VARIOUS	06/30/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	-2,362.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
68,996.	75,648.	0.	0.	-6,652.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	PURCHASED	04/02/07	06/29/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
46.	37.	0.	0.	9.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
604,886.	642,925.	0.	0.	-38,039.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGANSTANLEY SMITH BARNEY, NOM. - STMNT A	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,158,974.	1,214,654.	0.	0.	-55,680.

CAPITAL GAINS DIVIDENDS FROM PART IV	1,574.
TOTAL TO FORM 990-PF, PART I, LINE 6A	-103,469.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
LESS: ACCR'D PURCHASED INT. - 2010	-1,605.	0.	-1,605.
LESS: ACCR'D PURCHASED INT. - 2011	-8,127.	0.	-8,127.
MORGAN STANLEY SMITHBARNEY, NOM..	393,653.	1,574.	392,079.
POWERSHARES DB COMMODITY INDEX FUND	42.	0.	42.
TOTAL TO FM 990-PF, PART I, LN 4	383,963.	1,574.	382,389.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	9,500.	7,125.		2,375.
TO FORM 990-PF, PG 1, LN 16B	9,500.	7,125.		2,375.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	30,288.	30,288.		0.
TO FORM 990-PF, PG 1, LN 16C	30,288.	30,288.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	30,000.	0.		0.
FOREIGN TAXES PAID	1,526.	1,526.		0.
TO FORM 990-PF, PG 1, LN 18	31,526.	1,526.		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
OFFICE EXPENSE	117.	0.		117.
REGISTRATION FEES	10.	0.		10.
BANK FEES	214.	0.		214.
PORTFOLIO DEDUCTIONS	700.	0.		700.
BOOK / TAX DIFFERENCES	-190.	0.		-190.
TO FORM 990-PF, PG 1, LN 23	851.	0.		851.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY SMITHBARNEY, NOM. - STMNT B-1	3,437,726.	2,735,112.
MORGAN STANLEY SMITHBARNEY, NOM. - STMNT B-1	800,040.	863,040.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,237,766.	3,598,152.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SMITH BARNEY, NOM. - STATEMENT B-1	2,338,907.	2,405,945.
SMITH BARNEY, NOM. - STATEMENT B-1	100,640.	100,760.
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,439,547.	2,506,705.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SMITH BARNEY, NOM. - STATEMENT B-1 - MUTUAL FUNDS	COST	2,600,694.	2,652,815.
SMITH BARNEY, NOM. - STMNT B-1 - MUTUAL FUNDS	COST	214,799.	200,209.
MORGANSTANLEY SMITHBARNEY, NOM. - STMNT B-1	COST	-44,897.	-31,970.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,770,596.	2,821,054.

FORM 990-PF OTHER LIABILITIES STATEMENT 10

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DUE TO STEPHEN M. BERMAN & ASSOC., LLC	50.	100.
TOTAL TO FORM 990-PF, PART II, LINE 22	50.	100.

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

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JUDY ZABAN 2660 PEACHTREE ROAD, N.W., 40-F ATLANTA, GA 30305	CHAIRPERSON/TREASURER 1.00	0.	0.	0.
STEPHEN M. BERMAN 3475 LENOX ROAD, N.E., SUITE 950 ATLANTA, GA 30326	SECRETARY 0.50	0.	0.	0.
CAROL Z. COOPER 2000 WEST PACES FERRY ROAD ATLANTA, GA 30327	DIRECTOR 1.00	0.	0.	0.
LAURA Z. DINERMAN 335 GREEN GLEN WAY ATLANTA, GA 30327	DIRECTOR 1.00	0.	0.	0.
SARA Z. FRANCO 645 WIDGEON LANE ATLANTA, GA 30327	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

Form **8868**
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print

File by the due date for filing your return See instructions

Name of exempt organization or other filer, see instructions.
THE ZABAN FOUNDATION, INC.

Employer identification number (EIN) or
☒ 58-6034590

Number, street, and room or suite no. If a P.O. box, see instructions.
3475 LENOX ROAD N.E., NO. 950

Social security number (SSN)
☐

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
ATLANTA, GA 30326

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

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ STEPHEN M. BERMAN
3475 LENOX RD. N.E., SUITE 950, ATLANTA, GA - 30326

Telephone No. ▶ 404-262-2181 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______. If this is for the whole group, check this box ▶ ☐. If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until FEBRUARY 15, 2013, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year ______ or

▶ ☒ tax year beginning JUL 1, 2011, and ending JUN 30, 2012.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 11,779.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 11,779.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev 1-2012)

123841
01-04-12