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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

2008

For calendar year 2008, or tax year beginning 4/01/08 **, and ending** 3/31/09

G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: GUSTAV & IRENE STERN FOUNDATION INC

Number and street (or P O box number if mail is not delivered to street address): 725 FIFTH AVENUE, 22ND FLOOR | Room/suite

City or town, state, and ZIP code: New York NY 10022

A Employer identification number 13-6121155

B Telephone number (see page 10 of the instructions)

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 6,626,076

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see pg 11 of the instructions).)

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	301,000			
	2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	532,496	532,496	532,496	
	4	Dividends and interest from securities	107,900	107,900	107,900	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	7,556			
	b	Gross sales price for all assets on line 6a 1,035,032				
	7	Capital gain net income (from Part IV, line 2)		7,556		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	948,952	647,952	640,396	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) See Stmt	2,779			2,779
	b	Accounting fees (attach schedule) See Stmt	11,950			11,950
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) Stmt	8,250			8,250
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) See Stmt	1			1
	24	**Total operating and administrative expenses.** Add lines 13 through 23	22,980	0		22,980
	25	Contributions, gifts, grants paid	556,956			556,956
	26	**Total expenses and disbursements.** Add lines 24 and 25	579,936	0	0	579,936
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses & disbursements**	369,016			
	b	**Net investment income** (if negative, enter -0-)		647,952		
	c	**Adjusted net income** (if negative, enter -0-)			640,396	

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Part II	Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	860,358	900,652	900,652
3	Accounts receivable ▶			
	Less· allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (att schedule) ▶			
	Less· allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule) See Stmt 5	5,666,137	5,994,859	5,725,424
11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	6,526,495	6,895,511	6,626,076
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	0	
	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			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	6,526,495	6,895,511	
30	**Total net assets or fund balances** (see page 17 of the instructions)	6,526,495	6,895,511	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	6,526,495	6,895,511	

(Side labels: Assets — lines 1–16; Liabilities — lines 17–23; Net Assets or Fund Balances — lines 24–31)

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	6,526,495
2	Enter amount from Part I, line 27a	2	369,016
3	Other increases not included in line 2 (itemize)▶	3	
4	Add lines 1, 2, and 3	4	6,895,511
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	6,895,511

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	VARIOUS	P	Various	Various
b	VARIOUS	P	Various	Various
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	217,881		218,851	-970
b	817,151		808,625	8,526
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				-970
b				8,526
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	7,556
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	

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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2007	317,200	6,198,746	0.051172
2006	676,653	5,849,462	0.115678
2005	11,746,644	5,938,040	1.978202
2004	1,131,590	16,142,572	0.070100
2003	1,006,905	15,309,090	0.065772

2 **Total** of line 1, column (d)	2	2.280924
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.456185
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	6,722,079
5 Multiply line 4 by line 3	5	3,066,512
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,480
7 Add lines 5 and 6	7	3,072,992
8 Enter qualifying distributions from Part XII, line 4	8	579,936

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling letter: **(attach copy of ruling 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	12,959
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	12,959
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	12,959
6	Credits/Payments.		
a	2008 estimated tax payments and 2007 overpayment credited to 2008 — 6a: 15,742		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 7,500		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	23,242
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	10,283
11	Enter the amount of line 10 to be **Credited to 2009 estimated tax** ▶ 10,283 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	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 page 19 of the instructions) ▶ NY			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	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 ▶ STEVEN STERN Telephone no. ▶
725 FIFTH AVENUE, NY, NY 10022
Located at ▶ NEW YORK, NY ZIP+4 ▶ 10022

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 |

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 page 20 of the 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 2008?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
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 page 20 of the instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2008 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 2008.)	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 2008?		4b		X

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

5a	During the year did the foundation pay or incur any amount to.			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? N/A		**5b**	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945-5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**	X
	If you answered "Yes" to 6b, also file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A		**7b**	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
STEVEN E STERN NEW YORK 760 PARK AVENUE NY 10021	DIRECTOR AS	0	0	0
STEVEN E STERN NEW YORK 760 PARK AVENUE NY 10021	PRESIDENT AS	0	0	0
STEVEN E STERN NEW YORK 760 PARK AVENUE NY 10021	SECRETARY AS	0	0	0
STEVEN E STERN NEW YORK 760 PARK AVENUE NY 10021	TREASURER AS	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

Total number of others receiving over $50,000 for professional services ▶ 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 NOT APPLICABLE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	5,943,941
b	Average of monthly cash balances			1b	880,505
c	Fair market value of all other assets (see page 24 of the instructions)			1c	0
d	**Total** (add lines 1a, b, and c)			1d	6,824,446
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	6,824,446
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)			4	102,367
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	6,722,079
6	**Minimum investment return.** Enter 5% of line 5			6	336,104

Part XI Distributable Amount (see page 25 of the 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	336,104
2a	Tax on investment income for 2008 from Part VI, line 5	2a	12,959		
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	12,959
3	Distributable amount before adjustments Subtract line 2c from line 1			3	323,145
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	323,145
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	323,145

Part XII Qualifying Distributions (see page 25 of the 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	579,936
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	579,936
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	579,936

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

Part XIII 'Undistributed Income (see page 26 of the instructions)

			(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1	Distributable amount for 2008 from Part XI, line 7					323,145
2	Undistributed income, if any, as of the end of 2007.					
a	Enter amount for 2007 only					
b	Total for prior years. 20 ____ , 20 ____ , 20 ____					
3	Excess distributions carryover, if any, to 2008:					
a	From 2003	269,836				
b	From 2004	463,530				
c	From 2005	11,228,266				
d	From 2006	387,792				
e	From 2007	15,796				
f	**Total** of lines 3a through e		12,365,220			
4	Qualifying distributions for 2008 from Part XII, line 4. ▶ $ 579,936					
a	Applied to 2007, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d	Applied to 2008 distributable amount					323,145
e	Remaining amount distributed out of corpus		256,791			
5	Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))					
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		12,622,011			
b	Prior years' undistributed income. Subtract line 4b from line 2b					
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions					
e	Undistributed income for 2007. Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f	Undistributed income for 2008 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8	Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)		269,836			
9	**Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a		12,352,175			
10	Analysis of line 9.					
a	Excess from 2004	463,530				
b	Excess from 2005	11,228,266				
c	Excess from 2006	387,792				
d	Excess from 2007	15,796				
e	Excess from 2008	256,791				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter. (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter. (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see page 27 of the 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).)

N/A

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.

N/A

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 page 28 of the 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 N/A				
Total			▶ **3a**	
b Approved for future payment N/A				
Total			▶ **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	532,496	
4 Dividends and interest from securities			14	107,900	
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					7,556
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		640,396	7,556

13 Total. Add line 12, columns (b), (d), and (e) 13 647,952

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions.)
N/A	

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 organization. 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 or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 2/15/10 Title: PRESIDENT

Paid Preparer's Use Only

Preparer's signature: Rodney H Ertischek [signature]	Date: 2/12/10	Check if self-employed ☐
Preparer's identifying number (see Signature on page 30 of the instructions): 133-29-9843		
Firm's name (or yours if self-employed), address, and ZIP code: Rodney H Ertischek, 20 Fuller Rd, Briarcliff Manor, NY 10510	EIN	Phone no 914-762-5018

Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Legal Fees	$ 2,779	$	$	$ 2,779
Total	$ 2,779	$ 0	$ 0	$ 2,779

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Accounting Fees	$ 11,950	$	$	$ 11,950
Total	$ 11,950	$ 0	$ 0	$ 11,950

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Federal Taxes	$ 8,000	$	$	$ 8,000
NYS Corporation Tax				
Delaware Annual Fee				
Payroll Taxes				
NYS Filing Fees	250			250
Total	$ 8,250	$ 0	$ 0	$ 8,250

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
INVESTMENT FEES	$ 1	$	$	$ 1
Total	$ 1	$ 0	$ 0	$ 1

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
INVESTMENTS				
	$ 5,666,137	$ 5,994,859	Cost	$ 5,725,424
Total	$ 5,666,137	$ 5,994,859		$ 5,725,424

Realized Gain/Loss Report - From 04/01/2008 To 03/31/2009

11/13/09 07 28 AM

Including Zero Gain/Loss, Without Outside Holdings, Sorted by Security Type

BRAVER STERN SECURITIES CORP.

IC: All IC's IC #: 0505

For All Types

Account: Gustav & Irene Stern/07093189

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Stock										
2,000	CENTRAL SECURITIES CORP		10/03/2003	20.3	40,720 00	06/11/2008	26 5460	52,971 69	0.00	12,251 69
133	CENTRAL SECURITIES CORP		12/29/2003		2,553 60	06/11/2008	26 5460	3,522 62	0 00	969 02
170	CENTRAL SECURITIES CORP		12/27/2005		3,825 00	06/11/2008	26.5460	4,502 59	0.00	677.59
191	CENTRAL SECURITIES CORP		12/27/2006		4,629 84	06/11/2008	26 5460	5,058.80	0 00	428 96
2,494	(Total) CENTRAL SECURITIES CORP				**51,728.44**			**66,055 70**	**0.00**	**14,327.26**
2,500	TAIWAN EQUITY FUND INC		06/23/1997	13 1/4	33,275 00	07/15/2008		0 00	0 00	(33,275 00)
		Sub Totals of	**Stock**		**85,003 44**			**66,055.70**	**0 00**	**(18,947.74)**
Mutual Fund										
2,957 364	**PIONEER BD FD INC CL Y		12/14/2005		24,199.99	05/28/2008	9 1000	26,885 92	0 00	2,685 93
2,688	**PIONEER BD FD INC CL Y		02/06/2007	11 3400	22,800.00	05/28/2008	9 1000	24,437 09	0.00	1,637 09
6,729	**PIONEER BD FD INC CL Y		11/20/2007		60 90	05/28/2008	9.1000	61.17	0.27	0 00
15 34	**PIONEER BD FD INC CL Y		02/27/2008		138.36	05/28/2008	9.1000	139 46	1.10	0 00
5,687 433	(Total) **PIONEER BD FD INC CL Y				**47,199.25**			**51,523.64**	**1.37**	**4,323.02**

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Account: Gustav & Irene Stern/07093189

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mutual Fund										
		Sub Totals of	*Mutual Fund*		47,199.25			51,523.64	1.37	4,323.02
		Sub Totals of	*LONG*		132,202.69			117,579.34	1.37	(14,624.72)
		Grand Total			132,202.69			117,579.34	1.37	(14,624.72)

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Realized Gain/Loss Report - From 04/01/2008 To 03/31/2009

Including Zero Gain/Loss, Without Outside Holdings, Sorted by Security Type

11/13/09 07 28 AM

BRAVER STERN SECURITIES CORP.

IC: All IC's   IC #: 0505

For All Types

Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Corporate Bond										
12,852	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	12,723 49	04/25/2008		12,852 00	0 00	128 51
12,520	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	12,394 81	05/27/2008		12,520 00	0.00	125 19
12,192	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	12,070 09	06/25/2008		12,192 00	0 00	121 91
11,870	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	11,751 31	07/25/2008		11,870 00	0 00	118 69
11,553	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	11,437 48	08/25/2008		11,553 00	0 00	115 52
1,587	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	1,571.13	09/25/2008		1,587 00	0 00	15.87
5,859	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	5,800 41	10/27/2008		5,859 00	0 00	58.59
6,487	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	6,422 13	11/25/2008		6,487.00	0.00	64.87
33,049	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	32,718 53	02/25/2009		33,049 00	0 00	330 47
25,431	FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE	04/25/2035	07/31/2006	99	25,176 70	03/25/2009		25,431 00	0 00	254 30
133,400	**(Total)** FANNIE MAE CMO/SERIES 2006-58 NS-VAR RATE				**132,066.08**			**133,400.00**	**0.00**	**1,333.92**

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Corporate Bond										
168,276	FREDDIE MAC CMO/SERIES 2958 YZ-VAR RATE	01/15/2035	03/16/2009	90 1250	151,658.75	03/30/2009	90 1250	151,624 03	(34 72)	0 00
		Sub Totals of	*Corporate Bond*		283,724.83			285,024.03	(34.72)	1,333.92
Mortgage Backed										
55	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	55 14	04/25/2008		55 00	0 00	(0 14)
89	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100.25	89.22	05/27/2008		89 00	0.00	(0.22)
124	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100.25	124 31	06/25/2008		124 00	0 00	(0 31)
46	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	46.12	07/25/2008		46 00	0.00	(0 12)
186	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100.25	186 46	08/25/2008		186 00	0 00	(0 46)
47	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	47 12	09/25/2008		47 00	0.00	(0 12)
55	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	55 14	10/27/2008		55 00	0 00	(0 14)
52	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	52 13	11/25/2008		52.00	0 00	(0 13)
58	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	58.14	12/26/2008		58 00	0 00	(0 14)

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
46	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100.25	46 12	01/26/2009		46 00	0.00	(0.12)
75	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100 25	75 19	02/25/2009		75.00	0 00	(0 19)
91	FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE		01/29/1999	100.25	91 23	03/25/2009		91 00	0.00	(0 23)
924	(Total) FANNIE MAE REMIC TRUST CMO/SERIES 1992-G17 17-S-VAR RATE				**926.32**			**924.00**	**0.00**	**(2.32)**
302	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100.00	302.00	04/15/2008	0	302.00	0 00	0 00
273	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100.00	273 00	05/15/2008	0	273 00	0 00	0 00
227	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100.00	227 00	06/16/2008	0	227 00	0 00	0 00
191	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100 00	191 00	07/15/2008	0	191 00	0.00	0 00
147	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100 00	147 00	08/15/2008	0	147 00	0.00	0.00
122	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100.00	122 00	09/15/2008	0	122 00	0.00	0 00
73	FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD		12/07/1998	100 00	73.00	10/15/2008	0	73 00	0 00	0 00

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
1,335	**(Total)** FEDERAL HOME LN MTG CORP MLTCL MTG PARTNCTFS GTD SER 1600 CL 1600-SD				1,335.00			1,335.00	0.00	0.00
5,064	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	5,469.13	08/15/2008		5,064 00	(405.13)	0.00
6,018	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	6,499 45	09/15/2008		6,018.00	(481 45)	0 00
6,942	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	7,497.38	10/15/2008		6,942.00	(555 38)	0.00
4,127	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	4,457.17	11/17/2008		4,127.00	(330 17)	0 00
6,030	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	6,512.41	12/15/2008		6,030 00	(482 41)	0 00
2,444	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	2,639.53	01/15/2009		2,444 00	(195.53)	0 00
1,763	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	1,904.04	02/17/2009		1,763 00	(141 04)	0 00
10,072	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE		08/06/2008	108	10,877.78	03/16/2009		10,072 00	(805 78)	0.00
42,460	**(Total)** FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1280 1280-J-VAR RATE				45,856.89			42,460.00	(3,396.89)	0.00
214	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641		08/30/1999	99.00	211 86	04/15/2008		214 00	0.00	2 14

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
	SA-VAR RATE									
502	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	496 98	05/15/2008		502 00	0.00	5 02
228	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	225 72	06/16/2008		228 00	0 00	2 28
194	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	192 06	07/15/2008		194 00	0 00	1 94
266	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99.00	263 34	08/15/2008		266 00	0 00	2 66
437	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	432 63	09/15/2008		437 00	0.00	4 37
244	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	241.56	10/15/2008		244 00	0.00	2 44
267	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	264 33	11/17/2008		267 00	0 00	2 67
213	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99.00	210 87	12/15/2008		213 00	0.00	2 13
178	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99 00	176 22	01/15/2009		178 00	0 00	1 78
233	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE		08/30/1999	99.00	230 67	02/17/2009		233 00	0.00	2 33
286	FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641		08/30/1999	99 00	283 14	03/16/2009		286 00	0 00	2 86

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
	SA-VAR RATE									
3,262	**(Total)** FEDERAL HOME LOAN MORTGAGE CORPORATION CMO/SERIES 1641 SA-VAR RATE				**3,229.38**			**3,262.00**	**0.00**	**32.62**
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	04/15/2008		1.00	0 11	0 00
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0.89	05/15/2008		1 00	0 11	0 00
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	06/16/2008		1 00	0 11	0 00
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	07/15/2008		1 00	0.00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0.89	08/15/2008		1.00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0.89	09/15/2008		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	10/15/2008		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	11/17/2008		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0.89	12/15/2008		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	01/15/2009		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0.89	02/17/2009		1 00	0 00	0 11
1	FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM		06/26/2007	89	0 89	03/16/2009		1 00	0 00	0 11
12	**(Total)** FEDERAL HOME LOAN MTG CORP SERIES 2764 CLASS SM				**10.68**			**12.00**	**0.33**	**0.99**

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90.7200	0 91	04/15/2008		1 00	0 09	0.00
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	05/15/2008		1.00	0 09	0.00
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90.7200	0 91	06/16/2008		1 00	0 09	0 00
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	07/15/2008		1 00	0 00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	08/15/2008		1 00	0.00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0.91	09/15/2008		1.00	0 00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	10/15/2008		1.00	0.00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90.7200	0.91	11/17/2008		1 00	0 00	0.09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	12/15/2008		1 00	0 00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	01/15/2009		1 00	0 00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90 7200	0 91	02/17/2009		1 00	0 00	0 09
1	FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS		06/26/2007	90.7200	0 91	03/16/2009		1 00	0 00	0 09
12	**(Total)** FEDERAL HOME LOAN MTG CORP SERIES 2877 CLASS NS				**10.92**			**12.00**	**0.27**	**0.81**
12,200	FEDERAL HOME LOAN MTG CORP SERIES 2883 CLASS SR		06/26/2007	80.7800	9,855.21	03/16/2009		12,200 00	0.00	2,344 79
2,750	FEDERAL HOME LOAN MTG CORP SERIES 2892 CLASS KS		06/26/2007	81 6600	2,245.66	03/16/2009		2,750 00	0 00	504 34

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
61,863	FEDERAL HOME LOAN MTG CORP SERIES 2955 CLASS OS		11/29/2006	95.8750	59,311.29	04/15/2008		61,863 00	0 00	2,551.71
51,294	FEDERAL HOME LOAN MTG CORP SERIES 2955 CLASS OS		11/29/2006	95.8750	49,178 24	05/15/2008		51,294 00	0 00	2,115.76
3,104	FEDERAL HOME LOAN MTG CORP SERIES 2955 CLASS OS		11/29/2006	95 8750	2,975 97	07/15/2008		3,104 00	0 00	128 03
253,411	FEDERAL HOME LOAN MTG CORP SERIES 2955 CLASS OS		11/29/2006	95 8750	242,958 38	03/16/2009		253,411 00	0 00	10,452 62
369,672	**(Total)** FEDERAL HOME LOAN MTG CORP SERIES 2955 CLASS OS				**354,423.88**			**369,672.00**	**0.00**	**15,248.12**
12,499	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101.207	12,649.86	04/25/2008		12,499 00	0 00	(150.86)
22,869	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101 207	23,145.03	05/27/2008		22,869 00	0 00	(276.03)
10,807	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101 207	10,937 44	06/25/2008		10,807 00	0 00	(130.44)
5,207	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101.207	5,269 85	07/25/2008		5,207 00	0 00	(62.85)
630	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101 207	637 60	08/25/2008		630 00	0 00	(7 60)
7,920	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101 207	8,015 59	02/25/2009		7,920 00	0 00	(95 59)
62,939	FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG		05/31/2005	101 207	63,698 68	03/25/2009		62,939.00	0 00	(759 68)
122,871	**(Total)** FEDERAL NATIONAL MTG ASSN SERIES 2005-47 CLASS SG				**124,354.05**			**122,871.00**	**0.00**	**(1,483.05)**
137	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	136 66	04/25/2008		137 00	0 00	0 34
104	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38		07/10/1992	99.75	103 74	05/27/2008		104 00	0 00	0.26

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
	CL-SA									
77	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	76 81	06/25/2008		77 00	0 00	0 19
56	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99.75	55 86	07/25/2008		56 00	0.00	0 14
81	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	80.80	08/25/2008		81 00	0.00	0 20
59	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99.75	58 85	09/25/2008		59 00	0.00	0 15
41	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99.75	40.90	10/27/2008		41 00	0.00	0 10
41	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	40 90	11/25/2008		41 00	0 00	0 10
51	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	50.87	12/26/2008		51 00	0 00	0 13
46	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99 75	45 88	01/26/2009		46 00	0 00	0 12
42	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99.75	41 89	02/25/2009		42 00	0 00	0 11
46	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38 CL-SA		07/10/1992	99.75	45 89	03/25/2009		46.00	0.00	0 11
781	(Total) FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 1991-38				**779.05**			**781.00**	**0.00**	**1.95**

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
	CL-SA									
105	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101.875	106 97	04/25/2008	0	105 00	0.00	(1 97)
105	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101.875	106 97	05/27/2008	0	105 00	0 00	(1.97)
87	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101.875	88.63	06/25/2008	0	87 00	0 00	(1 63)
95	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101.875	96.78	07/25/2008	0	95 00	0 00	(1 78)
100	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101.875	101 88	08/25/2008	0	100.00	0.00	(1 88)
68	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101 875	69 27	09/25/2008	0	68 00	0.00	(1 27)
19	FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB		06/18/1998	101 875	19 36	10/27/2008	0	19.00	0 00	(0.36)
579	**(Total)** FEDERAL NATL MTG ASSN GTD REMIC PASS THRU CTF TR 93-196 CL SB				**589.86**			**579.00**	**0.00**	**(10.86)**
8,479	FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY		06/26/2007	90 0300	7,633.68	04/25/2008		8,479.00	845 32	0 00
9,763	FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY		06/26/2007	90.0300	8,789.66	05/27/2008		9,763 00	973 34	0 00
3,301	FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY		06/26/2007	90 0300	2,971.90	06/25/2008		3,301 00	329 10	0 00
5,898	FEDERAL NATL MTG ASSN GTD		06/26/2007	90 0300	5,309.99	07/25/2008		5,898 00	0 00	588 01

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
	SERIES 2005-103 CLASS SY									
1,315	FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY		06/26/2007	90 0300	1,183.90	08/25/2008		1,315 00	0.00	131 10
44,253	FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY		06/26/2007	90 0300	39,841 14	03/25/2009		44,253 00	0.00	4,411.86
73,009	(Total) FEDERAL NATL MTG ASSN GTD SERIES 2005-103 CLASS SY				65,730.27			73,009.00	2,147.76	5,130.97
20	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	19 04	04/15/2008		20 00	0 00	0 96
21	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	19.99	05/15/2008		21 00	0 00	1.01
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	20.94	06/16/2008		22.00	0.00	1.06
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	20 94	07/15/2008		22.00	0.00	1 06
21	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	19 99	08/15/2008		21 00	0.00	1 01
36	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	34 27	09/15/2008		36 00	0 00	1 73
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	20.94	10/15/2008		22 00	0.00	1 06
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	20.94	11/17/2008	0	22 00	0.00	1 06
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	20 95	12/15/2008	0	22.00	0.00	1 05
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	20.94	01/15/2009	0	22 00	0.00	1 06
35	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95.203125	33.32	02/17/2009	0	35 00	0 00	1 68
22	G N M A PASS THRU POOL 293386X AMERICAS MORTGAGE COMPANY		10/16/1990	95 203125	20.95	03/16/2009	0	22.00	0 00	1.05

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Account: Gustav And Irene Stern/07090350

Quantity	Description	Maturity Date	Acq Date	Acq Price	Acq Cost	Liq Date	Liq Price	Liq Cost	Short Term Gain/Loss	Long Term Gain/Loss
LONG										
Mortgage Backed										
287	(Total) G N M A PASS THRU POOL 293366X AMERICAS MORTGAGE COMPANY				273.21			287.00	0.00	13.79
2,048	GOVERNMENT NATIONAL MTG ASSN SERIES 2004-089 CLASS SJ		06/26/2007	84.7400	1,735 48	05/20/2008		2,048 00	312.52	0.00
227	GOVERNMENT NATIONAL MTG ASSN SERIES 2004-089 CLASS SJ		06/26/2007	84.7400	192 36	08/20/2008		227 00	0 00	34 64
2,275	(Total) GOVERNMENT NATIONAL MTG ASSN SERIES 2004-089 CLASS SJ				1,927.84			2,275.00	312.52	34.64
		Sub Totals of	*Mortgage Backed*		611,548.22			632,429.00	(936.01)	21,816.79
		Sub Totals of	*LONG*		895,273.05			917,453.03	(870.73)	23,150.71
		Grand Total			895,273.05			917,453.03	(870.73)	23,150.71

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