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Department of the Treasury
Internal Revenue Service

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

For calendar year 2008, or tax year beginning 12/01, 2008, and ending 11/30, 2009

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
THE ARTHUR KONTOS FOUNDATION, INC.
Number and street (or P O box number if mail is not delivered to street address) Room/suite
ONE CHANNEL CLUB DRIVE APT 1703
City or town, state, and ZIP code
MONMOUTH BEACH, NJ 07750

A Employer identification number
13-3339956
B Telephone number (see page 10 of the instructions)
(212) 509-3525
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 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) **\$ 7,270,398.**
J Accounting method 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 page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants etc received (attach schedule) if the foundation is not required to attach Sch B.	NONE			
2 Check <input type="checkbox"/>				
3 Interest on savings and temporary cash investments	31,191.	31,191.		
4 Dividends and interest from securities	67,827.	67,827.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	206,591.			
b Gross sales price for all assets on line 6a	2,862,811.			
7 Capital gain net income (from Part IV, line 2)		206,591.		
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) (attach schedule)				
11 Other income (attach schedule)	32,573.	32,573.		STMT 2
12 Total. Add lines 1 through 11	338,182.	338,182.		
13 Compensation of officers, directors, trustees, etc	NONE			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) STMT 3	11,850.	5,925.	NONE	5,925.
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) STMT 4	28,760.	28,362.		398.
24 Total operating and administrative expenses. Add lines 13 through 23	40,610.	34,287.	NONE	6,323.
25 Contributions, gifts, grants paid	481,466.			481,466.
26 Total expenses and disbursements Add lines 24 and 25	522,076.	34,287.	NONE	487,789.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-183,894.			
b Net investment income (if negative, enter -0-)		303,895.		
c Adjusted net income (if negative, enter -0-)			-0-	

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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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments	5,804,597.	6,103,028.	6,103,028.	
	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 (attach schedule)				
		Less allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) STMT 5	62,750.	679,559.	709,950.	
	c	Investments - corporate bonds (attach schedule) STMT 6	874,568.	238,652.	207,420.	
	11	Investments - land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule) STMT 7	776,470.	250,000.	250,000.		
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	Other assets (describe)					
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	7,518,385.	7,271,239.	7,270,398.		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe STMT 8)	62,750.	NONE		
23	Total liabilities (add lines 17 through 22)	62,750.	NONE			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds	4,681,850.	4,681,850.		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income endowment, or other funds	2,773,785.	2,589,389.		
	30	Total net assets or fund balances (see page 17 of the instructions)	7,455,635.	7,271,239.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	7,518,385.	7,271,239.			

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	7,455,635.
2	Enter amount from Part I, line 27a	2	-183,894.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	7,271,741.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 9	5	502.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,271,239.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a SEE PART IV SCHEDULE					
b					
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					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(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					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	206,591.	
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.					

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	476,297.	9,130,877.	0.052163
2006	460,467.	9,909,198.	0.046469
2005	424,402.	9,746,407.	0.043544
2004	348,590.	9,121,471.	0.038216
2003	330,781.	7,368,887.	0.044889
2 Total of line 1, column (d)			2 0.225281
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 0.045056
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5			4 7,385,936.
5 Multiply line 4 by line 3			5 332,781.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 3,039.
7 Add lines 5 and 6			7 335,820.
8 Enter qualifying distributions from Part XII, line 4			8 487,789.

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)

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	3,039.
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	
3	Add lines 1 and 2	3	3,039.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	3,039.
6	Credits/Payments		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6 a	10,159.
b	Exempt foreign organizations-tax withheld at source	6 b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6 c	NONE
d	Backup withholding erroneously withheld	6 d	
7	Total credits and payments Add lines 6a through 6d	7	10,159.
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	NONE
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	7,120.
11	Enter the amount of line 10 to be Credited to 2009 estimated tax 7,120. Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1 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)? <i>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</i>		X
1 c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ NONE (2) On foundation managers \$ NONE		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ NONE		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
4 b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) DE, NJ		
8 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? <i>If "No," attach explanation</i>	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)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

Table with 3 columns: Question, Yes, No. Rows 11-15. Row 11: 'At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(3)?' Yes: 11, No: X. Row 12: 'Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?' Yes: 12, No: X. Row 13: 'Did the foundation comply with the public inspection requirements for its annual returns and exemption application?' Yes: 13, No: X. Row 14: 'The books are in care of' ARTHUR KONTOS, Telephone no 212-509-3525, Located at ONE CHANNEL CLUB DR, #1703 MONMOUTH BEACH, NJ, ZIP+4 07750. Row 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' N/A, 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.

Table with 3 columns: Question, Yes, No. Rows 1a-4b. Row 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: [X]. (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes: [], No: [X]. (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes: [], No: [X]. (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes: [], No: [X]. (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: [X]. (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: [X]. Row 1b: '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)?' 1b, N/A. Row 1c: '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?' 1c, X. Row 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))'. Row 2a: '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: [X]. If "Yes," list the years: []. Row 2b: '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)' 2b, N/A. Row 2c: 'If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here' []. Row 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: [X]. Row 3b: '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)' 3b, N/A. Row 4a: 'Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?' 4a, X. Row 4b: '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... (2) Influence the outcome of any specific public election... (3) Provide a grant to an individual for travel... (4) Provide a grant to an organization other than a charitable... (5) Provide for any purpose other than religious... b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify... c If the answer is "Yes" to question 5a(4), does the foundation claim exemption... 6a Did the foundation, during the year, receive any funds... 6b Did the foundation, during the year, pay premiums... 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? 7b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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

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

Table with 5 columns: (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. Row 1: SEE STATEMENT 10, NONE, NONE, NONE.

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

Table with 5 columns: (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. Row 1: NONE, NONE, NONE, NONE.

Total number of other employees paid over \$50,000 NONE

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		NONE

Total number of others receiving over \$50,000 for professional services **NONE**

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 <u>NOT APPLICABLE</u>	NONE
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 <u>NOT APPLICABLE</u>	NONE
2 -----	
All other program-related investments. See page 24 of the instructions 3 <u>NONE</u>	
Total. Add lines 1 through 3	NONE

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	861,535.
b	Average of monthly cash balances	1b	6,386,877.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	250,000.
d	Total (add lines 1a, b, and c)	1d	7,498,412.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	7,498,412.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	112,476.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,385,936.
6	Minimum investment return. Enter 5% of line 5	6	369,297.

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	369,297.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	3,039.
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,039.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	366,258.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	366,258.
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	366,258.

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	487,789.
b	Program-related investments - total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	487,789.
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	3,039.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	484,750.

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				366,258.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			440,735.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003	NONE			
b From 2004	NONE			
c From 2005	NONE			
d From 2006	NONE			
e From 2007	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ _____ 487,789.				
a Applied to 2007, but not more than line 2a			440,735.	
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				47,054.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
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				319,204.
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)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2004	NONE			
b Excess from 2005	NONE			
c Excess from 2006	NONE			
d Excess from 2007	NONE			
e Excess from 2008	NONE			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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 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)

Table with 5 columns: (a) 2008, (b) 2007, (c) 2006, (d) 2005, (e) Total. Rows include 2a (Adjusted net income), b (85% of line 2a), c (Qualifying distributions from Part XII), d (Amounts included in line 2c), e (Qualifying distributions made directly for active conduct), 3 (Alternative tests: Assets, Endowment, Support).

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))

ARTHUR KONTOS

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see 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
<p>a <i>Paid during the year</i> SEE SCHEDULE ATTACHED</p>				481,466.
<p>Total ▶ 3a</p>				481,466.
<p>b <i>Approved for future payment</i> NONE</p>				NONE
<p>Total ▶ 3b</p>				NONE

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold	
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)		
662,071.		648,670.				P	01/01/2006	12/31/2008	
							13,401.		
							VAR	VAR	
1,487,934.		1,371,634.					116,300.		
						P	VAR	VAR	
600,000.		635,916.					-35,916.		
						P	VAR	VAR	
112,806.		NONE					112,806.		
TOTAL GAIN(LOSS)								----- 206,591. =====	

THE ARTHUR KONTOS FOUNDATION, INC
Charitable Contributions
12/1/08 thru 11/30/09

Date	Name	Paid Amount
04/27/2009	IGFA	25,000 00
04/27/2009	Summit Baptist Church	5,000 00
04/29/2009	The Mountain Fund	5,000 00
04/29/2009	Monmouth County Chiefs AS	5,000 00
06/15/2009	Holiday Express	10,000 00
08/03/2009	Boys & Girls Club of Monmouth County	14,861 41
08/03/2009	Lance Armstrong Foundation	5,000 00
08/26/2009	The Monmouth Conservation	25,000 00
08/27/2009	Mary Manning Walsh Home	10,000 00
09/03/2009	St Joseph Regional High	10,000 00
09/09/2009	Leukemia & Lymphoma Society	10,000 00
09/18/2009	US Ski&Snowboard Team Foundattion	25,000 00
10/02/2009	Clean Ocean Action	25,000 00
10/09/2009	Prader Willi Syndrome NJ	1,000 00
10/26/2009	The Helene Whitman Memorial	5,000 00
10/26/2009	Monmouth Conservation Foundation	4,500 00
10/26/2009	SSR Nataka Projects	30,000 00
11/01/2009	Moore College of Art&Design	20,000 00
11/01/2009	ASPCA	2,000 00
11/01/2009	SICA	2,000 00
11/01/2009	Holiday Express	10,000 00
11/01/2009	Channel 13	2,000 00
11/01/2009	The Monmouth Museum	5,000 00
11/01/2009	Hudson Development Corporation	20,000 00
11/01/2009	WYCE	2,000 00
11/01/2009	WNYC Radio	2,000 00
11/01/2009	The Smile Train	1,000 00
11/01/2009	Jasons Dream	5,000 00
11/01/2009	Berkshire School	25,000 00
11/01/2009	Homeless Solutions Inc	10,000 00
11/01/2009	Lunch Break	10,000 00
11/01/2009	St John's Episcopal Church	5,000 00
11/01/2009	Impact Oasis	25,000 00
11/01/2009	Crested Butte Colorado	10,000 00
11/01/2009	Adapted Sports Center Foundation	15,000 00
11/01/2009	Crested Butte Land Trust	10,000 00
11/01/2009	S P U R	5,000 00
11/01/2009	Lamoille Community Board	10,000 00
11/01/2009	Lamoille Family Center	10,000 00
11/01/2009	Riverview Foundation	25,000 00
11/01/2009	River Rats, Inc	10,000 00
11/01/2009	Crested Butte Fire&EMS	5,000 00
11/03/2009	Court Diversion Restoration	10,000 00
11/04/2009	US Ski&Snowboard Team Foundattion	5,105 00
11/24/2009	Crested Butte Mountain He	5,000 00
Total Charitable Contributions		481,466 41

THE PURPOSE OF THE ABOVE CONTRIBUTIONS IS TO AID EACH DONEE ORGANIZATION IN CARRYING
OUT IT EXEMPT FUNCTION

Arthur Kontos Foundation, Inc.
 Attn: Arthur Kontos
 One Channel Drive
 Unit 1703
 Monmouth Beach NJ 07750-1343

Realized Gain/Loss - Detail
(12/01/2008 - 11/30/2009)

Acct 313-26067-10

Short Term

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
ANADARKO PETROLEUM CORP	APC	4,000	06/25/09	\$178.16	10/28/09	\$245.86	\$67.70
APC	APC	2,100,000	06/04/09	99,774.99	10/28/09	129,078.22	29,303.23
APC	APC	0.243	06/25/09	10.84	10/29/09	14.22	3.38
Total		2,104,243		\$99,963.99		\$129,338.30	\$29,374.31
CITIGROUP INC	C	5,000,000	11/03/09	20,049.50	11/10/09	20,749.46	699.96
C	C	2,500,000	11/04/09	10,420.50	11/10/09	10,374.73	(45.77)
C	C	2,500,000	11/04/09	10,395.50	11/10/09	10,374.73	(20.77)
Total		10,000,000		\$40,865.50		\$41,498.92	\$633.42
CBS CORP NEW CLASS B	CBS	5,000,000	11/03/09	60,138.50	11/10/09	66,305.79	6,167.29
CBS	CBS	5,000,000	11/04/09	61,390.00	11/10/09	66,305.78	4,915.78
Total		10,000,000		\$121,528.50		\$132,611.57	\$11,083.07
FOREST OIL CORP-NEW	FST	5,200,000	06/04/09	99,809.84	10/28/09	105,768.39	5,958.55
QUICKSILVER RESOURCES INC	KWK	4,500,000	06/04/09	49,725.00	10/28/09	58,893.13	9,168.13
KWK	KWK	4,300,000	06/05/09	50,095.00	10/28/09	56,275.65	6,180.65
Total		8,800,000		\$99,820.00		\$115,168.78	\$15,348.78
KAYNE ANDERSON MLP INVT	KYN	2,000,000	11/26/08	25,100.00	05/12/09	39,617.77	14,517.77
KYN	KYN	2,000,000	11/26/08	25,100.00	05/13/09	38,869.39	13,769.39
KYN	KYN	1,000,000	11/26/08	12,550.00	05/14/09	19,445.29	6,895.29
Total		5,000,000		\$62,750.00		\$97,932.45	\$35,182.45
LAS VEGAS SANDS CORP	LVS	5,000,000	11/03/09	75,549.50	11/10/09	82,379.88	6,830.38
LVS	LVS	2,500,000	11/04/09	39,147.00	11/10/09	41,189.94	2,042.94

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

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Schedule # - 12

Arthur Kontos Foundation, Inc.
 Attn: Arthur Kontos
 One Channel Drive
 Unit 1703
 Monmouth Beach NJ 07750-1343

Realized Gain/Loss - Detail
(12/01/2008 - 11/30/2009)

Acct 313-26067-10

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
LVS		2,500.000	11/04/09	\$38,445.25	11/10/09	\$41,189.93	\$2,744.68
LVS		10,000.000	11/17/09	180,496.00	11/19/09	169,395.63	(11,100.37)
Total		20,000.000		\$333,637.75		\$334,155.38	\$517.63
MGM MIRAGE		5,000.000	11/03/09	48,090.00	11/10/09	50,883.69	2,793.69
MGM		2,500.000	11/04/09	24,094.25	11/10/09	25,441.84	1,347.59
MGM		2,500.000	11/04/09	24,847.75	11/10/09	25,441.84	594.09
MGM		10,000.000	11/17/09	116,749.00	11/20/09	105,601.27	(11,147.73)
Total		20,000.000		\$213,781.00		\$207,368.64	(\$6,412.36)
NEWFIELD EXPLORATION COMPAN		1,500.000	06/04/09	53,657.55	10/28/09	64,474.49	10,816.94
NFX		1,250.000	06/05/09	45,910.75	10/28/09	53,728.74	7,817.99
Total		2,750.000		\$99,568.30		\$118,203.23	\$18,634.93
SOUTHWESTERN ENERGY CO		2,360.000	06/04/09	100,068.96	10/28/09	105,496.36	5,427.40
XTO ENERGY INC		1,200.000	06/05/09	50,160.00	10/28/09	50,195.91	35.91
XTO		1,200.000	06/04/09	49,680.00	10/28/09	50,195.90	515.90
Total		2,400.000		\$99,840.00		\$100,391.81	\$551.81
Short Term Total				\$1,371,633.84		\$1,487,933.83	\$116,299.99
(12/01/2008 - 11/30/2009) Short & Long Term Total				\$1,371,633.84		\$1,487,933.83	\$116,299.99

** Gain/Loss is only calculated when an original cost basis is available

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Arthur Kontos Foundation, Inc.
 Attn: Arthur Kontos
 One Channel Drive
 Unit 1703
 Monmouth Beach NJ 07750-1343

**Realized Gain/Loss - Detail
 (12/01/2008 - 11/30/2009)**

Acct. 313-44020-19

Long Term

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
BELLSOUTH TELECOMMUNICATION Coupon: 5.875% Maturity: 1/15/2009	079867AH00R0	150,000.000	12/23/03	105,682.50	01/15/09	\$150,000.00	(15,682.50)
CREDIT SUISSE FIRST BOSTON USA Coupon: 3.875% Maturity: 1/15/2009	22541LAL70B0	200,000.000	01/22/04	205,688.00	01/15/09	200,000.00	(5,688.00)
GENERAL ELEC CAP CORP MEDIUM Coupon: 4.625% Maturity: 9/15/2009	36962GZH00B0	250,000.000	12/08/03	264,545.00	09/15/09	250,000.00	(14,545.00)
Long Term Total				635,915.50		600,000.00	(35,915.50)

** Gain/Loss is only calculated when an original cost basis is available

The above summary/prices/quotes/statistics have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. The information contained in monthly account statements and confirmations reflects all transactions processed by Smith Barney, and as such supersedes all other reports for financial and tax purposes.

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SCHEDULE # 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS AND INTEREST FROM SECURITIES THRU SCH K1-CITIGROUP DIVERSIFIED FUND	62,299. 5,528.	62,299. 5,528.
TOTAL	67,827.	67,827.

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
THRU SCH K1-CITIGROUP DIVERSIFIED FUND	32,573.	32,573.
TOTALS	32,573.	32,573.

FORM 990PF, PART I - ACCOUNTING FEES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
JAD CONSULTING, LLC	11,850.	5,925.		5,925.
TOTALS	11,850.	5,925.	NONE	5,925.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
FILING FEES	373.		373.
INVESTMENT ADVISORY FEES	157.	157.	
THRU SCH K1-CITIGROUP DIV FUND	28,205.	28,205.	
BANK CHARGES	25.		25.
TOTALS	28,760.	28,362.	398.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
0 SHS KAYNE ANDERSON	NONE	NONE
5,000 SHS XTO ENERGY INC	216,500.	212,200.
10,000 SHS ALTRIA GROUP INC	151,694.	188,100.
5,000 SHS PHILIP MORRIS INTL	240,300.	240,450.
5,000 SHS BLACKSTONE GROUP LP	71,065.	69,200.
TOTALS	679,559.	709,950.

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
\$0 BELL SOUTH TELECOMMUN	NONE	NONE
\$0 CREDIT SUISSE FIRST	NONE	NONE
\$0 GENERAL ELEC CAP CORP	NONE	NONE
\$0 CITIGROUP INC SUB NOT	NONE	NONE
\$200,000 CITIGROUP INC SUB NOT	238,652.	207,420.
TOTALS	238,652.	207,420.

FORM 990PF, PART II - OTHER INVESTMENTS
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
INVESTMENT IN NEXT JUMP, INC.	150,000.	150,000.
INVESTMENT IN SPECRX	100,000.	100,000.
TOTALS	250,000. =====	250,000. =====

FORM 990PF, PART II - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
DUE TO BROKER	NONE
TOTALS	----- NONE =====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES
=====

DESCRIPTION

AMOUNT

BOOK & TAX DIFFERENCE THRU PARTNERSHIP

502.

TOTAL

502.
=====

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JAMES KONTOS P.O. BOX 4229 CRESTED BUTTE, CO 81224	PRESIDENT	NONE	NONE	NONE
ARTHUR KONTOS ONE CHANNEL CLUB DRIVE APT 1703 MONMOUTH BEACH, NJ 07750	VICE PRES/SECRETARY	NONE	NONE	NONE
MICHAEL KONTOS P.O. BOX 246 HYDE PARK, VT 05655	VICE PRES/TREASURER	NONE	NONE	NONE

GRAND TOTALS

NONE	NONE	NONE	NONE
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