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

2009

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 2009, or tax year beginning _____, **2009, and ending** _____

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Festoon Foundation Inc P. O. Box 544 Colts Neck, NJ 07722	A Employer identification number 13-6266382 B Telephone number (see the instructions) 732-866-4493 C If exemption application is pending, check here. <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 969,709.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 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 (att sch)				
2 <input checked="" type="checkbox"/> If the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	798.	798.	798.	
4 Dividends and interest from securities	24,550.	24,550.	24,550.	
5a Gross rents				
b Net rental income or (loss)		Statement 1		
6a Net gain/(loss) from sale of assets not on line 10	48,822.			
b Gross sales price for all assets on line 6a	90,191.			
7 Capital gain net income (from Part IV, line 2)				
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/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	74,170.	25,348.	25,348.	
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch)	6,675.	6,675.	6,675.	
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instr)	156.	156.	156.	
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	3,273.	3,273.	3,273.	
See Statement 4				
24 Total operating and administrative expenses. Add lines 13 through 23	10,104.	10,104.	10,104.	
25 Contributions, gifts, grants paid Stmt. 5	57,000.			57,000.
26 Total expenses and disbursements. Add lines 24 and 25	67,104.	10,104.	10,104.	57,000.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements.	7,066.			
b Net investment income (if negative, enter -0-)		15,244.		
c Adjusted net income (if negative, enter -0-)			15,244.	

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REVENUE

319 ADMINISTRATIVE AND OPERATING EXPENSES

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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	16,280.	12,286.	12,286.
	2	Savings and temporary cash investments	20,177.	85,138.	85,138.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch)			
		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)	99,216.		
	b	Investments – corporate stock (attach schedule)	548,019.	593,165.	872,285.
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment: basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
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 instructions. Also, see page 1, item I)	683,692.	690,589.	969,709.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSET BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	383,777.	383,777.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	299,915.	306,812.	
	30	Total net assets or fund balances (see the instructions)	683,692.	690,589.	
31	Total liabilities and net assets/fund balances (see the instructions)	683,692.	690,589.		

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	683,692.
2	Enter amount from Part I, line 27a	2	7,066.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	690,758.
5	Decreases not included in line 2 (itemize) <u>See Statement 6</u>	5	169.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	690,589.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a N/A			
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			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	
3 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 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 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 (column (b) divided by column (c))
2008	61,831.	1,127,166.	0.054855
2007	70,419.	1,354,397.	0.051993
2006	37,200.	1,119,738.	0.033222
2005	35,500.	1,028,581.	0.034514
2004	60,600.	999,144.	0.060652

2 Total of line 1, column (d)	2	0.235236
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	0.047047
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	864,525.
5 Multiply line 4 by line 3	5	40,673.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	152.
7 Add lines 5 and 6	7	40,825.
8 Enter qualifying distributions from Part XII, line 4	8	57,000.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see 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 or determination letter: _____ (attach copy of letter if necessary - see Instr.)		
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	152.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	152.
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	152.
6	Credits/Payments:		
a	2009 estimated tax pmts and 2008 overpayment credited to 2009. 6a		
b	Exempt foreign organizations – tax withheld at source 6b		
c	Tax paid with application for extension of time to file (Form 8868). 6c		
d	Backup withholding erroneously withheld 6d		
7	Total credits and payments. Add lines 6a through 6d	7	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	152.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
b		X
<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>		
c		X
d		
e		
2		X
3		X
4 a	X	
4 b		X
5		X
6		X
7	X	
8 a		
8 b	X	
9	X	
10		X

BAA

Part VII-A Statements Regarding Activities Continued

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12 Did the foundation 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? Website address ▶ N/A	13	X	
14 The books are in care of ▶ <u>Festoon Foundation, Inc.</u> Telephone no. ▶ <u>732-866-4493</u> Located at ▶ <u>315 Route 34, Suite 111 Colts Neck NJ</u> ZIP + 4 ▶ <u>07722</u>			
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u> N/A			

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

		Yes	No
1a During the year did the foundation (either directly or indirectly):			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b		N/A
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 2009?	1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 the instructions.)	2b		N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__ .			
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b If 'Yes,' did it have excess business holdings in 2009 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009</i>)	3b		N/A
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 2009?	4b		X

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

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
 - (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
 - (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
 - (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No
 - (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes No

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

6b X

If 'Yes' to 6b, file Form 8870

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

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

7b N/A

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

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Justine Nathan 315 Route 34, Suite 111 Colts Neck, NJ 07722	President 0	0.	0.	0.
Peter Nathan 315 Route 34, Suite 111 Colts Neck, NJ 07722	Director 0	0.	0.	0.
Wendy Shrigley 315 Route 34, Suite 111 Colts Neck, NJ 07722	Director 0	0.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	

2	

3	

4	

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

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

	Amount	
1 N/A		

2		

All other program-related investments. See instructions.		
3		

Total. Add lines 1 through 3.		0.

BAA

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	754,313.
b Average of monthly cash balances	1b	123,377.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	877,690.
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	877,690.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	13,165.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	864,525.
6 Minimum investment return. Enter 5% of line 5	6	43,226.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	N/A.	1	
2a Tax on investment income for 2009 from Part VI, line 5	2a		
b Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.		7	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	57,000.
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	57,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	152.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	56,848.

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

Part XIII Undistributed Income (see instructions)

N/A

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only				
b Total for prior years: 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ _____				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

<p>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 2009, enter the date of the ruling</p>					
<p>b Check box to indicate whether the foundation is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)</p>					
<p>2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed</p>	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
	15,244.	16,937.	18,060.	16,812.	67,053.
b 85% of line 2a	12,957.	14,396.	15,351.	14,290.	56,994.
c Qualifying distributions from Part XII, line 4 for each year listed	57,000.	62,000.	70,600.	37,200.	226,800.
d Amounts included in line 2c not used directly for active conduct of exempt activities					0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	57,000.	62,000.	70,600.	37,200.	226,800.
<p>3 Complete 3a, b, or c for the alternative test relied upon:</p>					
<p>a 'Assets' alternative test – enter:</p>					
<p>(1) Value of all assets</p>					
<p>(2) Value of assets qualifying under section 4942(j)(3)(B)(i)</p>					
<p>b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed</p>					
	28,817.	37,572.	45,147.	37,325.	148,861.
<p>c 'Support' alternative test – enter:</p>					
<p>(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)</p>					
<p>(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)</p>					
<p>(3) Largest amount of support from an exempt organization</p>					
<p>(4) Gross investment income</p>					

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

See Statement 7

b The form in which applications should be submitted and information and materials they should include:

See Statement for Line 2a

c Any submission deadlines:

See Statement for Line 2a

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

See Statement for Line 2a

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><i>a Paid during the year</i> see attached</p>				
Total				▶ 3a
<p><i>b Approved for future payment</i></p>				
Total				▶ 3b

Client FESTOON

Festoon Foundation Inc

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Statement 1
Form 990-PF, Part I, Line 6a
Net Gain (Loss) from Noninventory Sales Per Books
Assets Not Included in Part IV

Description:	.5 Pfizer Inc		
Date Acquired:	10/16/2009		
How Acquired:	Purchase		
Date Sold:	10/16/2009		
To Whom Sold:			
Gross Sales Price:		9.	
Cost or Other Basis:		9.	
Basis Method:	Cost		
			Gain (Loss) 0.
Description:	1000 General Electric		
Date Acquired:	11/22/2004		
How Acquired:	Purchase		
Date Sold:	3/02/2009		
To Whom Sold:			
Gross Sales Price:		7,970.	
Cost or Other Basis:		36,090.	
Basis Method:	Cost		
			Gain (Loss) -28,120.
Description:	168 Medco Health Solutions Inc		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	3/02/2009		
To Whom Sold:			
Gross Sales Price:		6,628.	
Cost or Other Basis:		1,204.	
Basis Method:	Cost		
			Gain (Loss) 5,424.
Description:	1500 Wyeth		
Date Acquired:	1/01/1969		
How Acquired:	Purchase		
Date Sold:	10/16/2009		
To Whom Sold:			
Gross Sales Price:		75,584.	
Cost or Other Basis:		4,066.	
Basis Method:	Cost		
			Gain (Loss) 71,518.
			Total \$ <u>48,822.</u>

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Total	\$ <u>6,675.</u>	\$ <u>6,675.</u>	\$ <u>6,675.</u>	\$ <u>0.</u>

Client FESTOON

Festoon Foundation Inc

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign taxes on dividend	\$ 56.	\$ 56.	\$ 56.	
State Taxes	100.	100.	100.	
Total	<u>\$ 156.</u>	<u>\$ 156.</u>	<u>\$ 156.</u>	<u>\$ 0.</u>

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Advertising	\$ 67.	\$ 67.	\$ 67.	
Investment fees	3,206.	3,206.	3,206.	
Total	<u>\$ 3,273.</u>	<u>\$ 3,273.</u>	<u>\$ 3,273.</u>	<u>\$ 0.</u>

Statement 5
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity: Charitable
 Donee's Name: Earthjustice Legal Defence Fd
 Donee's Address: 426 17th Street 6th Fl
 Oakland, CA 94612
 Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: \$ 1,000.

Class of Activity: Charitable
 Donee's Name: Greenpeace Fund
 Donee's Address: 702 H St NW Suite 300
 Washington, DC 20001
 Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 5,000.

Class of Activity: Charitable
 Donee's Name: Pet Helpers Adoption Center
 Donee's Address: 1430 Folly Road
 James Island, SC 29412
 Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 5,000.

Class of Activity: Charitable
 Donee's Name: S.C. Coastal Conservation Leag
 Donee's Address: PO Box 1765
 Charleston, SC 29402

Client FESTOON

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Statement 5 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		\$ 10,000.
Class of Activity:	Charitable	
Donee's Name:	Treasure Coast Wildlife Hospit	
Donee's Address:	8438 SW 48th Ave Palm City, FL 34990	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Guide Dog for the Blind	
Donee's Address:	PO Box 3950 San Rafael, CA 94912	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,500.
Class of Activity:	Charitable	
Donee's Name:	Hope Rural School	
Donee's Address:	15929 SW 150th Street Indiantown, FL 34956	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Sea Island Habitat for Humanit	
Donee's Address:	3487 McGill Ct Johns Island, SC 29455	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Suncoast Seabird Sanctuary Inc	
Donee's Address:	18328 Gulf Blvd Indian Shores, FL 34635	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	United Pegasus Foundation	
Donee's Address:	120 First Avenue Arcadia, CA 91006	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Doctors Without Borders	
Donee's Address:	333 Seventh Avenue 2nd Floor New York, NY 10001	
Relationship of Donee:	Unrelated	

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Festoon Foundation Inc

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Statement 5 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Organizational Status of Donee:	Nonprofit	
Amount Given:		\$ 5,000.
Class of Activity:	Charitable	
Donee's Name:	Low Country Open Land Trust	
Donee's Address:	485 East Bay Street Charleston, SC 29403	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		10,000.
Class of Activity:	Charitable	
Donee's Name:	Lowcountry Food Bank	
Donee's Address:	1635 Cosgrove Avenue Charleston, SC 09404	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	The Fund For Animals	
Donee's Address:	200 West 57th Street New York, NY 10019	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Charleston Animal Society	
Donee's Address:	2455 Remount Road North Charleston, SC 29406	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		10,000.
Class of Activity:	Charitable	
Donee's Name:	ETV Endowment of SC	
Donee's Address:	401 E. Kennedy Street Spartanburg, SC 29302	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Colleton County Animal & Environmental C	
Donee's Address:	33 Poor Farm Road Walterboro, SC 29488	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		500.
Class of Activity:	Charitable	
Donee's Name:	Feline Freedom Coalition	
Donee's Address:	PO Box 874 Ravenel, SC 29470	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	

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Festoon Foundation Inc

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Statement 5 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Amount Given: \$ 1,000.

Total \$ 57,000.

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

Federal Tax Payment

Total \$ 169.

Statement 7
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
Name: Justine J Nathan
Care Of:
Street Address: 315 Route 34, Suite 111
City, State, Zip Code: Colts Neck, NJ 07722
Telephone: 732-866-4493
Form and Content: None
Submission Deadlines: None
Restrictions on Awards: None

State of New Jersey

County of Monmouth

We swear under oath the following documents attached hereto:

990-PF

All of which comprise the 2009 year reported for periodic report for the FESTOON FOUNDATION have been examined by us and the best of our knowledge and belief the contents thereof are true and complete.

Justine J. Nathan

Justine J. Nathan

Sworn to before me this 5th day of April 5, 2010

Janet L. Willgerodt

JANET L WILLGERODT

Notary Public of New Jersey

My Commission Expires 05 / 03 / 2012

