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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No. 1545-0052

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.

2009

For calendar year 2009, or tax year beginning , 2009, and ending , 20

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.	Name of foundation The Lipstein Family Foundation		A Employer identification number 23-3008418
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions)
	417 Conestoga Rd.		610-648-0484
City or town, state, and ZIP code Malvern, PA 19355		C If exemption application is pending, check here <input type="checkbox"/>	
M 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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,812,371		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

Part I 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)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	274			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	5,721	5,721		
	4 Dividends and interest from securities	52,039	52,039		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	191,117			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		191,117		
	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)					
12 Total. Add lines 1 through 11	249,151	248,877			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages	0			
	15 Pension plans, employee benefits	0			
	16a Legal fees (attach schedule)	0			
	b Accounting fees (attach schedule)	0			
	c Other professional fees (attach schedule)	0			
	17 Interest	10			
	18 Taxes (attach schedule) (see page 14 of the instructions)	0			
	19 Depreciation (attach schedule) and depletion	0			
	20 Occupancy	0			
	21 Travel, conferences, and meetings	0			
	22 Printing and publications	0			
	23 Other expenses (attach schedule)	3			
	24 Total operating and administrative expenses. Add lines 13 through 23	13			
	25 Contributions, gifts, grants paid	121,900			
26 Total expenses and disbursements. Add lines 24 and 25	121,913				
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	127,238				
b Net investment income (if negative, enter -0-)		248,877			
c Adjusted net income (if negative, enter -0-)					

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	3,789	2,489	2,489	
	2	Savings and temporary cash investments	64,884	42,726	42,726	
	3	Accounts receivable >				
		Less: allowance for doubtful accounts >	2,092	1,637	1,637	
	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 16 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				
	10a	Investments—U.S. and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)	1,034,209	1,139,282	1,306,213	
	c	Investments—corporate bonds (attach schedule)	30,353	76,049	82,174	
	11	Investments—land, buildings, and equipment: basis >				
	Less: accumulated depreciation (attach schedule) >					
12	Investments—mortgage loans	377,099	377,132	377,132		
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 the instructions. Also, see page 1, item f)	1,512,077	1,639,315	1,812,371		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe >)				
	23	Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here > <input type="checkbox"/> 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 > <input type="checkbox"/> 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				
	30	Total net assets or fund balances (see page 17 of the instructions)	1,512,077	1,639,315		
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)				

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	1,512,077
2	Enter amount from Part I, line 27a	2	127,238
3	Other increases not included in line 2 (itemize) >	3	
4	Add lines 1, 2, and 3	4	1,639,315
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	1,639,315

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See attached schedule				
b				
c				
d				
e				
(c) 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 473,020		281,903	191,117	
b				
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) Gain (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
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	191,117
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.

(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))
2008	135,931	1,898,597	.072
2007	129,067	1,934,220	.067
2006	149,713	1,906,772	.079
2005	136,775	1,820,449	.075
2004	58,868	1,748,874	.034
2 Total of line 1, column (d)			2 .327
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 .0654
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 1,555,208
5 Multiply line 4 by line 3			5 101,711
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,489
7 Add lines 5 and 6			7 104,200
8 Enter qualifying distributions from Part XII, line 4 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.			8 121,900

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)	1	2,489
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		
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	2,489
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	2,489
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	881
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	1,619
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	2,500
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	30
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	19
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
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?		<input checked="" type="checkbox"/>
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <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>		<input checked="" type="checkbox"/>
1c Did the foundation file Form 1120-POL for this year?		<input checked="" type="checkbox"/>
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. $\$$ 0 (2) On foundation managers. $\$$ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. $\$$ _____		
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>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: o By language in the governing instrument, or o 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?	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) \blacktriangleright Pennsylvania		
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>	<input checked="" type="checkbox"/>	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		<input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	<input checked="" type="checkbox"/>	

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <input type="checkbox"/> None	13	✓	
14	The books are in care of <input type="checkbox"/> Sanford Lipstein Telephone no. <input type="checkbox"/> 610-648-0484 Located at <input type="checkbox"/> 417 Conestoga Rd., Malvern, PA ZIP+4 <input type="checkbox"/> 19355-1009			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input type="checkbox"/> 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? <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 page 20 of the instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	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 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 <input type="checkbox"/> 20 <input type="checkbox"/> 20 <input type="checkbox"/> 20 <input type="checkbox"/> 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.)	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. <input type="checkbox"/> 20 <input type="checkbox"/> 20 <input type="checkbox"/> 20 <input type="checkbox"/> 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 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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	✓

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)? ☐ Yes ☒ No
Organizations relying on a current notice regarding disaster assistance check here ☐ Yes ☒ No
- 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? ☐ 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? ☐ Yes ☒ No
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? ☐ Yes ☒ No

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
Sanford Lipstein 417 Conestoga Rd., Malvern, PA 19355	President/ 1	0	0	0
Gail Lipstein 417 Conestoga Rd., Malvern, PA 19355	Secretary/.5	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 ☐

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 ▷

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 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 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 NONE	
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	1,517,927
b	Average of monthly cash balances	1b	60,964
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,578,891
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	0
3	Subtract line 2 from line 1d	3	1,578,891
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	23,683
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,555,208
6	Minimum investment return. Enter 5% of line 5	6	77,760

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	77,760
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,489
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,489
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	75,271
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	75,271
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	75,271

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	121,900
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	121,900
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	2,489
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	119,411

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				75,271
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			56,693	
d From 2007			37,822	
e From 2008			44,839	
f Total of lines 3a through e	139,354			
4 Qualifying distributions for 2009 from Part XII, line 4: ▷ \$ 121,900				
a Applied to 2008, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				75,271
e Remaining amount distributed out of corpus	46,629			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	185,983			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				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)	0			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	185,983			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006			56,693	
c Excess from 2007			37,822	
d Excess from 2008			44,839	
e Excess from 2009			46,629	

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 2009, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 1/3 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 28 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).)

Sanford Lipstein

- 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 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:

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

- c Any submission deadlines:

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

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 See Schedule Attached			General Purposes	121,900
Total			▶ 3a	121,900
b Approved for future payment Institute For Justice			General Purposes	10,000
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					
4 Dividends and interest from securities			14	52,039	
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					
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)				52,039	
13 Total. Add line 12, columns (b), (d), and (e)			13	52,039	52,039

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




[illegible]

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

b If "Yes," complete the following schedule.

[illegible]

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.

Sign Here	 Signature of officer or trustee		7/6/10 Date	 Title
	Preparer's signature 		Date	Check if self-employed <input type="checkbox"/>
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code		Preparer's identifying number (see Signature on page 30 of the instructions)	
	EIN		Phone no.	

The Lipstein Family Foundation
Schedule of Contributions
Year ended December 31, 2009
23-3008418

<u>Charity</u>	<u>Amount</u>
Academy in Manyunk	\$1,000
Acting Without Boundaries	200
American Associates Ben Gurion University	500
American Cancer Society	1,000
American Institute For Cancer Research	250
American Lung Association	100
American Red Cross - SE PA Chapter	0
Appalachain Trail Conservancy	500
Arthritis Foundation	1,000
Arthur Ashe Youth Tennis and Education Fnd	5,000
Avon Foundation	600
Bicycle Coalition of Greater Philadelphia	2,500
Chester County Historical Society	250
Children International	500
Comcast-Spectacor Foundation	200
East Coast Greenway Conservancy	500
Easter Seals	100
East Whiteland Volunteer Fire Co.	200
Ed Snider Youth Hockey Foundation	10,000
Foundation for Individual Rights in Education	1,000
Freedoms Foundation at Valley Forge	10,000
Habitat for Humanity	250
HMS School for Children with Cerebral Palsy	15,000
Hoyt Foundation	250
Institute For Justice	5,000
Leukemia and Lymphoma Society	2,000
Leukemia and Lymphoma Society	1,500
Leukemia and Lymphoma Society	0
Leukemia and Lymphoma Society	0
Library Company of Philadelphia	500
Living Beyond Breast Cancer	10,000
Living Beyond Breast Cancer	100
Make a Wish Foundation	250
National Multiple Sclerosis Society	1,000
National Multiple Sclerosis Society	0
Paoli Hospital Foundation	500
Penn Hospice at Rittenhouse	0
Philabundance	500
Philadelphia Theatre Company	500
Phoenixville Area YMCA - Y Partners	1,000
Phoenixville Area YMCA Capital Campaign	15,000
Planned Parenthood of Chester County	250
Rails to Trails Conservancy	5,000
Settlement Music School	2,500
Simon Wiesenthal Center	1,000
Special Olympics - Maryland	150
Sunflower Afrique	1,000
The Bethesda Project	500
The Chester County Hospital Foundation	1,000
The Commonwealth Foundation	500
The Philadelphia Orchestra	2,500
Trustees of the University of Pennsylvania	5,000
Trustees of the University of Pennsylvania- Penn Medicin	250
Turning Points for Children	10,000
Turning Points for Children - Toy Shop	1,000
United Cerebral Palsy	500
WHYY	0
White Williams Scholars	1,000
White Williams Scholars	1,000

Total \$121,800

The Lipstein Family Foundation
 EIN 23-3008418
 Form 990PF
 Year ended 12/31/09

Noncash contributions included in Line 1 of Part 1

Contributor's name Contributor's address

Sanford Lipstein 417 Conestoga Road,
 Malvern, PA 19355

<u>Property Description</u>	<u>Date of Gift</u>	<u>Fair Market Value</u>	<u>Amount of Gift</u>
100 shares Synthes-Stratec	10/27/09	\$12,359	\$137
100 shares Synthes-Stratec	11/18/2009	13,072	\$137

Contributor's name Contributor's address

Sanford Lipstein 417 Conestoga Road,
 Malvern, PA 19355

Part I, line 18, Taxes:
 Excise tax on income

Part II Line 10(b), corporate stock:

<u>Description</u>	<u>Book value</u>	<u>Fair mkt. value</u>
2000 Shares PREIT	\$21,973	\$16,920
1000 shs Walter Asset Management	\$13,520	\$14,330
2000 Tortoise Energy Infrastructure Corp	\$58,819	\$62,040
1000 Proctor & Gamble Co.	\$62,669	\$60,630
1000 Kimberly Clark Corp	\$54,651	\$63,710
1000 Exelon Corp.	\$47,038	\$48,870
1000 shs Bristol Myers Squibb	\$22,390	\$25,250
3000 shs Blackstone Group LP	\$47,589	\$39,360
3000 shs American Waterworks	\$59,334	\$67,230
1000 shs Pfizer, Inc.	\$26,074	\$18,190
1377 Bank of America	\$20,655	\$20,738
5000 shs Omega Healthcare Investors	\$38,845	\$97,250
4000 Crystal River Capital	\$38,201	\$1,680
2000 shs Nordic American Tanker	\$69,240	\$59,980
1000 shs Mack Cali Realty Grp	\$26,265	\$34,570
2000 General Electric	\$51,538	\$30,260
10977.147 shs Gateway Fund	\$260,193	\$278,136
1000 shs Ford Motor Cap Tr II	\$46,807	\$39,920
500 shs. Weyerhaeuser, Inc.	\$34,150	\$21,570
1000 shs E. I. duPont Co.	\$40,185	\$33,670
400 Winthrop Realty Trust	\$13,212	\$4,344
3367 Lexington Realty Trust	\$62,307	\$20,471
1000 Bank of America Dep Shs	\$21,295	\$24,540
1700 shares Synthes-Stratec	2,332	222,554
	<u>\$1,139,282</u>	<u>\$1,306,213</u>

Part II Line 10(c) corporate bonds

<u>Description</u>	<u>Book value</u>	<u>Fair mkt. value</u>
Ishares Re IBOXX High Yield	\$20,420	\$26,352
Hanesbrands Inc. Fixed Rate Sr Nt	\$25,625	\$25,469
Wells Fargo & Co. due 9/12	<u>\$30,004</u>	<u>\$30,353</u>
Total corporate bonds	<u>\$76,049</u>	<u>\$82,174</u>

\$1,215,331 \$1,388,387

The Lipstein Family Foundation
 EIN 23-3008418
 Schedule of Capital Gains and Losses
 December 31, 2009

(a) List and describe the kind(s) of property	(b) How acquired P - Purchase D - donated	(c) date acquired (d) date sold (mo. day yr) (mo. day yr)	(e) gross sales price	(f) depreciation (g) cost or other allowed basis + expense	(h) Gain or (loss)
500 Synthes, Inc.	D	1/5/04	51,898	686	\$51,212
500 Synthes, Inc	D	1/5/04	60,098	686	59,412
1000 shares Synthes, Inc.	D	2/10/04&8/15/05	127,433	1,372	126,061
500 Synthes, Inc	D	8/15/05	66,708	686	66,022
398 Wells Fargo Inc	P	1/18/08	10,493	61,710	-51,217
500 L'egg Mason	D	10/5/99	13,526	1,215	12,311
1000 Shs Southern Copper	P	8/12/08	28,454	23,120	5,334
3000 Southern Copper	P	4/2/07	71,995	72,014	-19
7307 Citigroup	P	8/14/08 8/20/09&9/8/09	32,217	20,264	11,953
1000Stratus Properties	P	2/28/07&3/9/07	5,115	31,159	-26,044
3000 RAIT Financial	P	10/9/07&5/31/07	4,886	68,991	-64,105
Capital gain distributions			197		197
			<u>\$473,020</u>	<u>\$281,903</u>	<u>\$191,117</u>