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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

, and ending

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeUse the IRS
label
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

ESTHER AND SEYMOUR PADNOS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

P.O. BOX 1979

Room/suite

City or town, state, and ZIP code

HOLLAND, MI 49422-1979

A Employer identification number

38-3072505

B Telephone number

616-396-6521

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)

\$ 387,694.

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis.)

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 ☐**Part I Analysis of Revenue and Expenses**

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

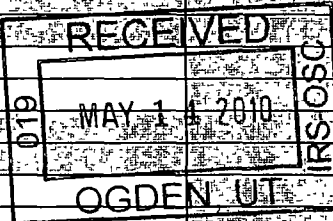
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1 Contributions, gifts, grants, etc., received			N/A		
	2 Check ☒ If the foundation is not required to attach Sch B					
	3 Interest on savings and temporary cash investments					
	4 Dividends and interest from securities	6,908.	6,908.		STATEMENT 1	
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain or (loss) from sale of assets not on line 10	8,933.				
	b Gross sales price for all assets on line 6a	47,367.				
	7 Capital gain net income (from Part IV, line 2)		8,933.			
	8 Net short-term capital gain					
	9 Income modifications					
	10a Gross sales less returns and allowances					
b Less Cost of goods sold						
c Gross profit or (loss)						
11 Other income						
12 Total. Add lines 1 through 11	15,841.	15,841.				
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0.	0.		0.	
	14 Other employee salaries and wages					
	15 Pension plans, employee benefits					
	16a Legal fees	STMT 2	844.	0.		844.
	b Accounting fees					
	c Other professional fees	STMT 3	196.	98.		98.
	17 Interest					
	18 Taxes	STMT 4	82.	82.		0.
	19 Depreciation and depletion					
	20 Occupancy					
	21 Travel, conferences, and meetings					
	22 Printing and publications					
	23 Other expenses					
	24 Total operating and administrative expenses. Add lines 13 through 23		1,122.	180.		942.
	25 Contributions, gifts, grants paid		21,425.			21,425.
26 Total expenses and disbursements. Add lines 24 and 25		22,547.	180.		22,367.	
27 Subtract line 26 from line 12:						
a Excess of revenue over expenses and disbursements		<6,706.>				
b Net investment income (if negative, enter -0-)			15,661.			
c Adjusted net income (if negative, enter -0-)				N/A		



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing					
	2 Savings and temporary cash investments			<25,701.>	<1,858.>	<1,858.>
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations STMT 6			44,000.	9,400.	9,400.
	b Investments - corporate stock STMT 7			1,200,191.	400,279.	380,152.
	c Investments - corporate bonds					
11 Investments - land, buildings, and equipment basis ▶						
Less: accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other						
14 Land, buildings, and equipment basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers)			1,218,490.	407,821.	387,694.	
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)			0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			1,218,490.	407,821.	
30 Total net assets or fund balances			1,218,490.	407,821.		
31 Total liabilities and net assets/fund balances			1,218,490.	407,821.		

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	1,218,490.
2 Enter amount from Part I, line 27a	2	<6,706.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,211,784.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 5	5	803,963.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	407,821.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 47,367.		38,434.	8,933.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			8,933.

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	8,933.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	70,699.	1,112,671.	.063540
2007	52,985.	1,367,318.	.038751
2006	37,857.	1,070,587.	.035361
2005	32,954.	781,977.	.042142
2004	17,969.	646,129.	.027810

2 Total of line 1, column (d)	2	.207604
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	.041521
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	369,780.
5 Multiply line 4 by line 3	5	15,354.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	157.
7 Add lines 5 and 6	7	15,511.
8 Enter qualifying distributions from Part XII, line 4	8	22,367.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	157.
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	157.
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	157.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,974.	
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	1,974.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,817.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax	11	0.	

1,817. Refunded

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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c 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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col. (c), and Part XV.		X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MI		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

STMT 8

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?	13	X	

Website address **▶ N/A**

14 The books are in care of **▶ SEYMOUR PADNOS** Telephone no. **▶ 616-396-6521**
 Located at **▶ P.O. BOX 1979, HOLLAND, MI** ZIP+4 **▶ 49422**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here **▶** ☐
 and enter the amount of tax-exempt interest received or accrued during the year **▶ 15** **N/A**

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	X
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? ☐ Yes ☒ No If "Yes," list the years ▶ _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 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.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☒ Yes ☐ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

5b

☒ X

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?

☒ 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?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEYMOUR PADNOS	PRESIDENT			
P.O. BOX 1979				
HOLLAND, MI 494221979	0.50	0.	0.	0.
ESTHER PADNOS	SECRETARY/TREASURER			
P.O. BOX 1979				
HOLLAND, MI 494221979	0.50	0.	0.	0.

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

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

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

0

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

[illegible]

0

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		

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

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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	360,363.
b Average of monthly cash balances	1b	15,048.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	375,411.
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	375,411.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,631.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	369,780.
6 Minimum investment return. Enter 5% of line 5	6	18,489.

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

1 Minimum investment return from Part X, line 6	1	18,489.
2a Tax on investment income for 2009 from Part VI, line 5	2a	157.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	157.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	18,332.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	18,332.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	18,332.

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	22,367.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	22,367.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	157.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	22,210.

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)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				18,332.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			21,193.	
b Total for prior years:		0.		
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	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 22,367.				
a Applied to 2008, but not more than line 2a			21,193.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				1,174.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				17,158.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
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				

N/A

- ☐ 4942(1)(3) or ☐ 4942(1)(5)

- 3 Complete 3a, b, or c for the alternative test relied upon:
 - a "Assets" alternative test - enter:
 - (1) Value of all assets
 - (2) Value of assets qualifying under section 4942(j)(3)(B)(i)
 - b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed
 - c "Support" alternative test - enter:
 - (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)
 - (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)
 - (3) Largest amount of support from an exempt organization
 - (4) Gross investment income

2009.03040 ESTHER AND SEYMOUR PADNOS F 99-09-41

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Total	▶ 3b	0.
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Part XVII

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

- | | | Yes | No |
|---|---|-----|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| | a Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | | X |
| | (2) Other assets | | X |
| | b Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X | |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |

[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.

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

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 <i>David B. Korte</i>		Date <i>10/5/09</i>		Title <i>Treasurer</i>	
	Preparer's signature <i>DAVID B KORTE, CPA</i>		Date <i>5/5/10</i>		Check if self-employed ☐	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code <i>KORTE CONSULTING, PLLC 15 IONIA AVE SW, SUITE 505 GRAND RAPIDS, MI 49503</i>				Preparer's identifying number <i>EIN</i>	
					Phone no. <i>(616) 774-2727</i>	

ESTHER AND SEYMOUR PADNOS FOUNDATION

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 100 SHARES CELGENE CORP	P	VARIOUS	07/17/09
b 245.15 SHARES OLD WESTBURY NON-US LC FUND	P	03/07/06	12/30/09
c 1,286.45 SHARES OLD WESTBURY FIXED INC FUND	P	02/11/08	04/01/09
d 72.04 SHARES OLD WEST GL SM & MD CAP FUND	P	05/05/06	12/30/09
e 181.82 SHARES OLD WESTBURY REAL RETURN FUND	P	VARIOUS	12/30/09
f 100 SHARES PEPSICO INC	P	10/28/05	04/24/09
g 700 SHARES CISCO SYSTEMS INC	P	VARIOUS	07/17/09
h 50 SHARES JOHNSON & JOHNSON	P	VARIOUS	07/18/09
i CAPITAL GAINS DIVIDENDS			
j			
k			
l			
m			
n			
o			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 4,703.		3,535.	1,168.
b 2,275.		3,042.	<767.>
c 15,000.		14,537.	463.
d 925.		962.	<37.>
e 1,800.		2,446.	<646.>
f 4,874.		5,866.	<992.>
g 14,213.		6,074.	8,139.
h 2,954.		1,972.	982.
i 623.			623.
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,168.
b			<767.>
c			463.
d			<37.>
e			<646.>
f			<992.>
g			8,139.
h			982.
i			623.
j			
k			
l			
m			
n			
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	8,933.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BESSEMER TRUST (5307)	7,508.	623.	6,885.
BESSEMER TRUST (5312)	23.	0.	23.
TOTAL TO FM 990-PF, PART I, LN 4	7,531.	623.	6,908.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	844.	0.		844.
TO FM 990-PF, PG 1, LN 16A	844.	0.		844.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISORY FEES	196.	98.		98.
TO FORM 990-PF, PG 1, LN 16C	196.	98.		98.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	82.	82.		0.
TO FORM 990-PF, PG 1, LN 18	82.	82.		0.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
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DESCRIPTION	AMOUNT
TRANSFERS TO RELATED FOUNDATION IN A SUBSTANTIAL CONTRACTION	803,542.
BOOK/TAX DIFFERENCE	421.
TOTAL TO FORM 990-PF, PART III, LINE 5	803,963.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. TREASURY NOTES	X		9,400.	9,400.
TOTAL U.S. GOVERNMENT OBLIGATIONS			9,400.	9,400.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			9,400.	9,400.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
OLD WESTBURY GL OPPTS FUND	58,553.	51,851.
OLD WESTBURY US LG CAP FUND	101,151.	89,718.
OLD WESTBURY NON-US LC FUND	59,003.	49,628.
OLD WESTBURY SM & MID CAP EQ FUND	49,004.	57,807.
OLD WESTBURY REAL RETURN FUND	27,221.	24,775.
OLD WESTBURY FIXED INC. FUND	105,347.	106,373.
TOTAL TO FORM 990-PF, PART II, LINE 10B	400,279.	380,152.

FORM 990-PF

STATEMENT CONCERNING LIQUIDATION,
TERMINATION, ETC. - PART VII-A, LINE 5

STATEMENT 8

EXPLANATION

DURING 2009, THE ESTHER & SEYMOUR PADNOS FOUNDATION TRANSFERRED ASSETS TO ANOTHER PRIVATE FOUNDATION. THE TRANSFERS REPRESENTED A SIGNIFICANT DISPOSITION PURSUANT TO TREAS. REG. SEC. 1.507-3(C)(2). TREAS. REG. SEC. 1.507-3(A)(2) PROVIDES THAT A TRANSFEREE ORGANIZATION SHALL SUCCEED TO THE AGGREGATE TAX BENEFIT OF THE TRANSFEROR ORGANIZATION IN AN AMOUNT EQUAL TO THE AMOUNT OF SUCH AGGREGATE TAX BENEFIT MULTIPLIED BY A FRACTION THE NUMERATOR OF WHICH IS THE FAIR MARKET VALUE OF THE ASSETS TRANSFERRED TO SUCH TRANSFEREE AND THE DENOMINATOR OF WHICH IS THE FAIR MARKET VALUE OF THE ASSETS OF THE TRANSFEROR IMMEDIATELY BEFORE THE TRANSFER. THE ESTHER AND SEYMOUR PADNOS FOUNDATION HAS REDUCED ITS 2008 UNDISTRIBUTED INCOME AS A PORTION OF THIS AMOUNT HAS BEEN TRANSFERRED TO THE SUCCESSOR FOUNDATION. PLEASE SEE STATEMENT 10 FOR A SCHEDULE WHICH OUTLINES THE CONTRIBUTIONS THAT WERE MADE FROM THE ESTHER AND SEYMOUR PADNOS FOUNDATION TO THE SUCCESSOR FOUNDATION, AND THE AMOUNT OF 2008 UNDISTRIBUTED INCOME THAT WAS TRANSFERRED TO THE SUCCESSOR FOUNDATION IN CONNECTION WITH THE SIGNIFICANT DISPOSITION.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

SEYMOUR PADNOS
ESTHER PADNOS

<u>Organization to Which Assets Were Transferred</u>	<u>Date</u>	<u>Description of Property Transferred</u>	<u>Value</u>
Lostn Foundation	1/2/2009	Securities	526,083
Lostn Foundation	4/2/2009	Cash	1,192
Total Assets Transferred in Substantial Contraction			<u>527,275</u>

SUMMARY OF REQUIRED MINIMUM DISTRIBUTION AMOUNT TRANSFERRED TO SUCCESSION FOUNDATION

2008 Undistributed Income at January 2, 2009	49,566 {A}	
FMV of Assets Transferred on January 2, 2009	526,083	
FMV of All Assets on January 2, 2009	921,492	
Percentage of Assets Transferred January 2, 2009	57.1% {B}	
2008 Undistributed Income Transferred to Lostn Foundation on January 2, 2009		28,297 = {A} x {B}
2008 Undistributed Income at April 2, 2009	21,269 {C}	
FMV of Assets Transferred on April 2, 2009	1,192	
FMV of All Assets on April 2, 2009	334,890	
Percentage of Assets Transferred April 2, 2009	0.4% {D}	
2008 Undistributed Income Transferred to Lostn Foundation on April 2, 2009		<u>76 = {C} x {D}</u>
Total 2008 Required Minimum Distribution Amount Transferred to Successor Foundation		<u>28,373</u>

* - Form 990PF, page 9, Part XIII, line 2a has been adjusted to \$21,193 (\$49,566 less \$28,373 transferred to successor foundation)

**Esther and Seymour Padnos Foundation
Expenditure Responsibility Statement
Attachment to the Esther and Seymour Padnos Foundation Form 990-PF
FEIN: 38-3072505**

Page 6, Part VII-B, Line 5c

The following information is provided in accordance with IRC Sec. 4945(h)(3) and Reg. 53.4945-5(d) to demonstrate that the foundation exercised expenditure responsibility in regard to this grant.

Name and Address of Grantee:	Lostn Foundation PO Box 1979 Holland, MI 49423
Amount and Date of Grant:	\$526,083; Securities; 1/2/2009 \$1,192; Cash; 4/2/2009
Purpose:	For charitable, religious, scientific, literary, or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code 1986.
Date of Report Received From the Grantee:	December 31, 2009
Amount Expended by Grantee During 2009:	\$27,050
Diversion:	To the knowledge of the grantor, no funds have been diverted to any activity other than the activity for which the grant was originally made.
Verification:	The grantor has no reason to doubt the accuracy or reliability of the report from the grantee; therefore, no independent verification of the report was made.

Esther Seymour Padnos Foundation

Donations
December 31, 2009

Amount	Donee	Foundation Status of Recipient	Purpose of Grant	Relationship to Donor
\$1,200 00	Cal Performances University of California, Berkely 101 Zellerbach Hall #4800 Berkeley, CA 94720-4800	501(c)(3)	Unrestricted Grant to General Fund	None
\$500 00	California Shakespeare Theater 701 Heinz Ave Berkeley, CA 94710-2732	501(c)(3)	Unrestricted Grant to General Fund	None
\$1,000 00	Cranbrook Schools PO Box 801 Bloomfield Hills , MI 48303-0801	501(c)(3)	Unrestricted Grant to General Fund	None
\$100 00	Culver Educational Foundation 1300 Academy Rd #153 Culver, IN 46511-1291	501(c)(3)	Unrestricted Grant to General Fund	None
\$50 00	East Bay SPCA 8323 Baldwin St Oakland, CA 94621	501(c)(3)	Unrestricted Grant to General Fund	None
\$100.00	Holland Area Arts Council 150 East 8th St. Holland, MI 49423	501(c)(3)	Unrestricted Grant to General Fund	None
\$10,000 00	Holland/Zeeland Community Fnd 70 W 8th St Holland, MI 49423	501(c)(3)	Unrestricted Grant to General Fund	None
\$25 00	Hospice of Holland 270 Hooper Blvd. Holland, MI 49423	501(c)(3)	Unrestricted Grant to General Fund	None
\$100 00	Hyman Brand Hebrew Academy 5801 W. 115th Street Overland Park, KS 66211	Educational Facility	Unrestricted Grant to General Fund	None
\$1,000.00	Jewish Community Federation 30 S. Wells St. Chicago, IL 60606	501(c)(3)	Unrestricted Grant to General Fund	None
\$500.00	JFCS East Bay 2484 Shattuck Ave Ste 210 Berkeley, CA 94704	501(c)(3)	Unrestricted Grant to General Fund	None
\$100 00	KQED 2601 Mariposa St San Francisco, CA 94110-1426	501(c)(3)	Unrestricted Grant to General Fund	None
\$100 00	Norton Museum of Art 1451 S Olive Ave West Palm Beach, FL 33401	501(c)(3)	Unrestricted Grant to General Fund	None
\$500 00	Planned Parenthood Golden Gate 815 Eddy Street San Francisco, CA 94109	501(c)(3)	Unrestricted Grant to General Fund	None
\$50.00	PKD Foundation 8330 Ward Parkway, Suite 510 Kansas City, MO 64114-2000	501(c)(3)	Unrestricted Grant to General Fund	None
\$50 00	Resthaven Care Community 9 East 8th Street Holland, MI 49423	501(c)(3)	Unrestricted Grant to General Fund	None
\$50 00	St. Jude Research Center 262 Danny Thomas Place Memphis, TN 38105	501(c)(3)	Unrestricted Grant to General Fund	None
\$2,000 00	SFMOMA 151 Third St San Francisco, CA 94013-3159	501(c)(3)	Unrestricted Grant to General Fund	None
\$4,000 00	University of Michigan 3003 South State St Ste 9000 Ann Arbor, MI 48109-1288	Educational Facility	Unrestricted Grant to General Fund	None
\$21,425.00				