Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0052

2009

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

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.

Name of foundation: ARTHUR AND EDITH STERN FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): 606 NORTH OAKHURST DRIVE — Room/suite: —

City or town, state, and ZIP code: BEVERLY HILLS, CA 90210-3531

A Employer identification number: 95-4609409

B Telephone number (see page 10 of the instructions): (310) 278-3220

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 775,053.

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc., received (attach schedule) SEE NOTES, PAGE 1, ITEM (A)	14,186.			
2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments	66.	66.		
4	Dividends and interest from securities SEE NOTES, PAGE 1, ITEM (B)	43,782.	43,782.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		60.		
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	58,034.	43,908.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) SEE NOTES, PAGE 1, ITEM (C)				
c	Other professional fees (attach schedule)	422.	422.		422.
17	Interest SEE NOTES, PAGE 1, ITEM (D)				
18	Taxes (attach schedule) (see page 14 of the instructions)	1,031.	1,031.		1,031.
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	3,405.	3,405.		3,405.
22	Printing and publications SEE NOTES, PAGE 1, ITEM (E)				
23	Other expenses (attach schedule)	832.	832.		832.
24	**Total operating and administrative expenses.** Add lines 13 through 23	5,690.	5,690.		5,690.
25	Contributions, gifts, grants paid	25,725.			25,725.
26	**Total expenses and disbursements.** Add lines 24 and 25	31,415.	5,690.		31,415.
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	26,619.			
b	**Net investment income** (if negative, enter -0-)		38,218.		
c	**Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	30,496.	66,376.	66,376.
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 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) SEE NOTES, PAGE 1, ITEM (F)	204,492.	304,151.	269,758.
	c	Investments—corporate bonds (attach schedule) AND PREFERRED STOCKS	650,676.	537,364.	438,919.
	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 the instructions. Also, see page 1, item I)	885,664.	907,891.	775,053.
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)			
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	885,664.	907,891.	
	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)	885,664.	907,891.	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	885,664.	907,891.	

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	885,664.
2	Enter amount from Part I, line 27a	2	26,619.
3	Other increases not included in line 2 (itemize) ▶ SEE NOTES, PAGE 2, ITEM (G), LINE 3	3	60.
4	Add lines 1, 2, and 3	4	912,343.
5	Decreases not included in line 2 (itemize) ▶ SEE NOTES, PAGE 2, ITEM (G), LINE 5	5	4,452.
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	907,891.

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	AMB PROPERTY CORP.	P	CAPITAL GAIN DISTRIBUTION	
b	PROLOGIS TRUST	P	" "	"
c	VORNADO REAL ESTATE TRUST	P	" "	"
d	FORD MOTOR CREDIT CO.	P	2/5/2003	10/28/2009
e	OTHER MINOR	P	2003/2004	2009

	(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	N/A	N/A	N/A	459.76
b	N/A	N/A	N/A	56.60
c	N/A	N/A	N/A	25.56
d	20,000.00	N/A	20,470.97	(470.97) LOSS
e	12.37	N/A	23.61	(11.24) LOSS

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				459.76
b				56.60
c				25.56
d				(470.97)
e				(11.24)

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	59.71
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	—0—

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

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

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	31,628.	670,823.	0.0471
2007	27,833.	722,221.	0.0385
2006	31,546.	581,752.	0.0542
2005	24,740.	498,241.	0.0497
2004	22,058.	443,579.	0.0497

2	**Total** of line 1, column (d)	2	0.2392
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	0.0478
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	638,596.
5	Multiply line 4 by line 3	5	30,525.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	382.
7	Add lines 5 and 6	7	30,907.
8	Enter qualifying distributions from Part XII, line 4	8	31,415.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling 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	382	18
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	382	18
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	382	18
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a: 400 00			
b	Exempt foreign organizations—tax withheld at source — 6b: -0 -			
c	Tax paid with application for extension of time to file (Form 8868) — 6c: -0 -			
d	Backup withholding erroneously withheld — 6d: -0 -			
7	Total credits and payments. Add lines 6a through 6d	7	400	00
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	-0	-
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	-0	-
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	17	82
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 17.82 **Refunded** ▶	11	-0	-

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N	A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	N	A
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ CALIFORNIA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
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)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses* SEE ATTACHED NOTES, PAGE 2, ITEM (H)	10	✓	

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
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?	13	✓	

Website address ▶ APSTERN @ ATT.NET

14 The books are in care of ▶ ARTHUR P. STERN Telephone no. ▶ 310.278.3220
Located at ▶ 606 NORTH OAKHURST DRIVE, BEVERLY HILLS CA ZIP+4 ▶ 90210-3531

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)?	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___, 20___, 20___, 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions.)	2b		✓
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___, 20___, 20___, 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 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	N/A	✓
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)*

			Yes	No
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)?	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		✓
	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 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
SEE ATTACHED	NOTES,	PART 2,	ITEM (I)	

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	601,707.
b	Average of monthly cash balances	1b	46,614.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	-0-
d	**Total** (add lines 1a, b, and c)	1d	648,321.
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	—
3	Subtract line 2 from line 1d	3	648,321.
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	9,725.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	638,596.
6	**Minimum investment return.** Enter 5% of line 5	6	31,930.

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	31,930.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	382.18		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	-0-		
c	Add lines 2a and 2b			2c	382.18
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	31,548.
4	Recoveries of amounts treated as qualifying distributions			4	-0-
5	Add lines 3 and 4			5	31,548.
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	31,548.

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	31,415.
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	31,415.
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	382.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	31,033.

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				31,548.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			24,507.	
b Total for prior years: 20___,20___,20___		-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: ▶ $ 31,415.				
a Applied to 2008, but not more than line 2a			24,507.	
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				6,908.
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).)*	6,908.			6,908.
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 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				24,640.
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	-0-			
10 Analysis of line 9.				
a Excess from 2005 . . . -0-				
b Excess from 2006 . . . -0-				
c Excess from 2007 . . . -0-				
d Excess from 2008 . . . -0-				
e Excess from 2009 . . . -0-				

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 . . . . ▶ N/A

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

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c			N/A		
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 ⅔ 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).)

SEE ATTACHED NOTES, PAGE 3, ITEM 5, LINE 1a.

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

N/A

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

SEE ATTACHED NOTES, PAGE 3, ITEM J, LINE 2a.

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

SEE ATTACHED NOTES, PAGE 3, ITEM J, LINE 2b.

c Any submission deadlines:

NONE

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

NONE

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 COMPLETE LISTING OF GRANTS AND CONTRIBUTIONS IN ATTACHED NOTES, PAGES 3-6 (STARTING PAGE 3, ITEM J, LINE 3)				
Total ▶ 3a				
b *Approved for future payment*				
	NONE			
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	66.	
4 Dividends and interest from securities			14	43,782.	
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			18	60.	
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)				43,908.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 43,908.

(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.)
	ALL INCOME IS INVESTMENT INCOME -
	NO BUSINESS ACTIVITIES WERE CONDUCTED
	ALL INCOME (INTEREST, DIVIDENDS, CAPITAL GAINS, IF ANY) IS USED TO PROVIDE GRANTS
	TO QUALIFIED INSTITUTIONS

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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

b If "Yes," complete the following schedule.

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

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

[signature] CARTHUR P. STERN 5/7/2010 SECRETARY/TREASURER

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Firm's name (or yours if self-employed), address, and ZIP code		EIN	
		Phone no	

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2009

Name of the organization	Employer identification number
ARTHUR AND EDITH STERN FAMILY FOUNDATION	95 4609409

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33⅓% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . ▶ $ ....

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization: ARTHUR AND EDITH STERN FAMILY FOUNDATION

Employer identification number: 95-4609409

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ARTHUR P. STERN & EDITH M. STERN 606 NORTH OAKHURST DRIVE BEVERLY HILLS, CA 90210-3531	$ 14,186.36	Person ☑ Payroll ☐ Noncash ☑ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization
ARTHUR AND EDITH STERN FAMILY FOUNDATION

Employer identification number
95 4609409

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	133.15 SHARES OF "OGE ENERGY CORPORATION". THE SHARES ARE TRADED ON THE NEW YORK STOCK EXCHANGE.	$ 4,848.00	12/21/2009

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	/ /

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	/ /

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	/ /

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	/ /

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	/ /

Arthur and Edith Stern Family Foundation
606 North Oakhurst Drive, Beverly Hills, CA 90210
Employer Identification Number: 95-4609409

NOTES Pertaining to 2009 Form 990-PF

(Statement Presenting Additional Required Infromation)

(A) Contributions, gifts, grants, etc. received (Form 990-PF, Part I, Page 1, Line 1)

Contributor's name and address	Description of gift	Amount contributed
(1) Arthur & Edith Stern, 606 N. Oakhurst Dr., Beverly Hills, CA 90210-3531	133.15 shares OGE Energy Corporation (traded on the New York Stock Exchange)	$ 4,848.00
(2) Arthur & Edith Stern, see above	Cash/expenses	9,338.36
Total contributions received		$14,186.36

(B) - Dividends and Interest from Securities (Form 990-PF, Part I, Page 1, Line 4)

The attached reports for December 31, 2009 list dividends and interest received by the Foundation in 2009.

(C) – Professional Fees (Form 990-PF, Part I, Page 1, Line 16c)

Through 2009: UBS Financial Services, Inc. (securities account fees)	$ - 0 -
" " : Merrill Lynch (securities account fees)	150.00
" " : Maerki Baumann & Co. (securities account fees)	271.91
Total Professional Fees	$ 421.91

(D) - Taxes (Form 990-PF, Part I, Page 1, Line 18)

Through 2009: U. S. Treasury	$ 860.70
" " : Franchise Tax Board (California)	10.00
" " : Department of Justice (California)	25.00
" " : Other (incl. foreign) taxes	135.59
Total Taxes and Fees	$1,031.29

(E) - Other Expenses (Form 990-PF, Part I, Page 1, Line 23)

Through 2009: General office expenses	$ 286.45
" " : Office communications and related expenses	310.20
" " : Depreciation of office furniture and equipment (portion)	235.00
Total Other Expenses	$ 831.65

(F) – Investments – Corporate Stock (Form 990-PF, Part II, Page 2, Line 10b) and
(F) – Investments – Corporate Bonds (Form 990-PF, Part II, Page 2, Line 10c)

The attached reports by UBS Financial Services, Merrill Lynch include detailed listings of stocks and bonds owned by the Foundation on December 31, 2008. Acquisition dates and costs are also shown (incl. correction of errors).

Continued on Page 2

Arthur and Edith Stern Family Foundation
606 North Oakhurst Drive, Beverly Hills, CA 90210
Employer Identification Number: 95-4609409

NOTES Pertaining to 2009 Form 990-PF

Statement Presenting Additional Required Information)

(G) - Analysis of Changes in Net Assets or Fund Balances (Form 990-PF, Part III, Page 2)

Line 3: Other increases not included in Line 2

Capital gains and return of capital realized in 2009 .... $ 60.
Total increases not included in Line 2 .... $ 60.

Line 5: Decreases not included in Line 2

Check cashing delays .... $ 2,900.
Accounting change (by UBS) and errors .... 1,552.
Total decreases not included in Line 2 .... $ 4,452.

(H) - Did any persons become substantial contributors during the tax year? (Form 990-PF, Part VII-A, Page 4, Line 10)

Arthur P. Stern, 606 North Oakhurst Drive, Beverly Hills, CA 90210-3531
Edith M. Stern, 606 North Oakhurst Drive, Beverly Hills, CA 90210-3531

(I) – List of Officers, Directors, etc. (Form 990-PF, Part VIII, Page 6, Line 1)

Name and Address	Title & avg. Hrs/wk devoted	Comp.	Employee Benefit Pl.	Expense acct/other
Edith M. Stern 606 N. Oakhurst Dr. Beverly Hills, CA 90210	President & Director .25	0	0	0
Arthur P. Stern 606 N. Oakhurst Dr. Beverly Hills, CA 90210	Exec. V-P, Sec/Treas & Director 2.0	0	0	0
Daniel R. Stern 1250 Prospect St. Westfield, NJ 07090	V-P, Asst. Treas. & Director .25	0	0	0
Claude M. Stern, Esq. 2121 Bellview Dr. Palo Alto, CA 94303	V-P, Counsel & Director .25	0	0	0
Jacqueline S. Bellowe, M.D. 5400 S. Colorado Bl. Greenwood Village, CO 80121	V-P, Asst. Sec. & Director .25	0	0	0

Continued on Page 3

Arthur and Edith Stern Family Foundation
606 North Oakhurst Drive, Beverly Hills, CA 90210
Employer Identification Number: 95-4609409

NOTES Pertaining to 2009 Form 990-PF
(Statement Presenting Additional Required Information)

(J) – Supplementary Information (Form 990-PF, Part XV, Page 10 and 11)

Line 1a - Foundation managers who have contributed more than 2% ......

Arthur P. Stern, 606 North Oakhurst Drive, Beverly Hills, CA 90210
Edith M. Stern, 606 North Oakhurst Drive, Beverly Hills, CA 90210

Line 2a - The name, address and phone number of person to whom applications should be addressed .....

Arthur P. Stern, 606 North Oakhurst Drive, Beverly Hills, CA 90210
Phone: 310.278.3220

Line 2b - The form in which applications should be submitted ....

Written application with detailed description of applicant organization and purpose of proposed grant.

Line 3 - Grants and Contributions Paid During the Year

Recipient Name and address	If recipient is an individual, show ...	Foundation status of recipient	Purpose of grant or contribution	Grant amount ($)
(1) Americans for Peace Now 1101 14th Street, NW; Sixth Floor Washington, DC 20036-5639	N/A	501(c)(3) educational	Support peace and democracy work in Middle East	5,000.00
(2) Builders of Jewish Education 6505 Wilshire Boulevard, 3d floor Los Angeles, CA 90048	N/A	501(c)(3) educational	Funds many Jewish educational organizations	5,000.00
(3) United Jewish Fund, Jewish Federation 6505 Wilshire Boulevard, 9th floor Los Angeles, CA 90048	N/A	501(c)(3) charitable	Supports many Jewish charitable, communal efforts	1,250.00
(4) The Elie Wiesel Foundation for Humanity 555 Madison Avenue, 20th Floor New York, NY 10022	N/A	501(c)(3) educational	Supports Jewish education and culture	1,000.00

Continued on Page 4

NOTES Pertaining to 2009 Form 990-PF
(Statement Presenting Additional Required Information)

(J) – Supplementary Information (Form 990-PF, Part XV, Page 10) - Continued

Line 3 - Grants and Contributions Paid During the Year - Continued

(5) Friends of Yad Sarah 450 Park Avenue, Suite 3201 New York, NY 10022	N/A	501(c)(3) charitable & educational	Support needy and disabled in Israel	1,000.00
(6) American Cancer Society 1599 Clifton Road, NE Atlanta, GA 303329-4251	N/A	501(c)(3) charitable and scientific inst.	Support cancer research and aid cancer patients	1,000.00
(7) CLAL, The National Jewish Center for Learning and Leadership 440 Park Avenue South, 4th floor, New York, NY 10016-8012	N/A	501(c)(3) educational	Support Jewish educational work	1,000.00
(8) OLPC Foundation 1 Cambridge Center, 10th floor Cambridge, MA 02142	N/A	501(c)(3) educ. & research	Develop and distribute computers to needy children worldwide	750.00
(9) UCLA Foundation/Center of Jewish Studies 302 Royce Hall, Box 951485 Los Angeles, CA 90095-1485	N/A	501(c)(3) educational	Support educational activities of institution	600.00
(10) The Benefactors, The Jewish Club of 1933 7150 Tampa Avenue Reseda, CA 91335-3798	N/A	501(c)(3) charitable	Support activities of Jewish Home of the Aging, Los Angeles	600.00
(11) Jewish Educational Service N. America 111 Eighth Avenue, 11th floor New York, NY 10011-5201	N/A	501(c)(3) educational	Support educational work and in Jewish culture	500.00
(12) Mazon: A Jewish Response to Hunger 1990 S. Bundy Drive, Suite 260 Los Angeles, CA 90025	N/A	501(c)(3) charitable	Support the needy' provide food for hungry	500.00
(13) Friends of Yemin Orde 4501 Connecticut Ave, NW, Suite 813 Washington, DC 20008	N/A	501(c)(3) educational	Support organizrtion's educational work and youth village	500.00

Continued on Page 5

NOTES Pertaining to 2009 Form 990-PF
(Statement Presenting Additional Required Information)

(J) – Supplementary Information (Form 990-PF, Part XV, Page 10) - Continued

Line 3 - Grants and Contributions Paid During the Year - Continued

(14) National Jewish Coalition for Literacy 134 Beach Street Boston, MA 02111	N/A	501(c)(3) educational	Support educational activities for literacy throughout USA	500.00
(15) United Way 523 West Sixth Street, Los Angeles, CA 90014	N/A	501(c)(3) charitable	Support needy by providing various services	500.00
(16) My New Red Shoes 555 Airport Boulevard, 5th Floor Burlingame, CA 94010	N/A	501(c)(3) educational, charitable	Support education and charity work	500.00
(17) American Red Cross Disaster Relief Fund 2025 E Street, NW Washington, DC 20006	N/A	501(c)(3) charitable	Support charitable work of institution	500.00
(18) IEEE Foundation/IEEE History Center 445 Hoes Lane Piscataway, NJ 08854	N/A	501(c)(3) educational and. scientific	Support educational and scientific work of institution	500.00
(19) Hillel Center for Jewish Life at UCLA 574 Hilgard Avenue Los Angeles, CA 90024	N/A	501(c)(3) educational, institution	Support educational and social work at UCLA	500.00
(20) Meretz, USA 114 West 26th Street New York, NY 10001-6812	N/A	501(c)(3) educational institution.	Support organization's varied activities in USA and Israel	500.00
(21) Jewish World Watch 17514 Ventura Boulevard, Suite 206 Encino, CA 91316	N/A	501(c)(3) educational, social	Support organization's worldwide efforts for freedom, democracy	500.00
(22) Friends of Yad Sarah 450 Park Avenue, Suite 3201 New York, NY 10022	N/A	501(c)(3) educational, charitable	Support educational and charitable work in Israel	500.00
(23) Progressive Jewish Alliance 5870 West Olympic Boulevard Los Angeles, CA 90036-9796	N/A	501(c)(3) educational	Support educational work of organization	500.00

Continued on Page 6

Notes Pertaining to 2009 Form 990-PF

(Statement Presenting Additional Required Information)

(J) – Supplementary Information (Form 990-PF, Part XV, Page 10) - Continued

Line 3 - Grants and Contributions Paid During the Year - Continued

(24) Ameinu (former: Labor Zionist Alliance) 8939 West Third Street Los Angeles, CA 90048	N/A	501(c)(3) educ. & social institution	Support Jewish and social educational work of institution	300.00
(25) North American Conf. on Ethiopian Jewry 132 Nassau Street, Suite 412 New York, NY 10038	N/A	501(c)(3) educational & charitable	Support educational and charitable activities for Ethiopians in Israel	250.00
(26) Beth Tzedek – The House of Justice 145 South Fairfax Avenue, Suite 200 Los Angeles, CA 90036-2172	N/A	501(c)(3) educational & charitable	Support educational and charitable work of institution	250.00
(27) Jewish Family Service 6505 Wilshire Boulevard, Suite 500 Chicago, IL 60603	N/A	501(c)(3) charitable	Support charitable activities of institution	250.00
(28) Rabbis for Human Rights P. O. Box 1539 West Tisbury, MA 02575	N/A	501(c)(3) educational	Support democracy and non-discrimination in Israel and other areas	200.00
(29) Performing Arts Center of L. A. County 135 North Grand Avenue Los Angeles, CA 90012	N/A	501(c)(3) educational & art supporting	Support educational and artistic activities of institution	200.00
(30) Beit T'shuvah/House of Return 8831 Venice Boulevard Los Angeles, CA 90034-3223	N/A	501(c)(3) educational	Support organization's work with problematic individuals	200.00
(31) So. CA Americans for Democratic Action Foundation 8124 West 3d Street Los Angeles, CA 90048	N/A	501(c)(3) educational	Support organizations educational efforts	200.00
(32) American Friends of Neve Shalom 12925 Riverside Drive, 3d Floor Sherman Oaks, CA 91423	N/A	501(c)(3) educational & institution	Support educ. & charit. work for joint Jewish-Arab village in Israel	150.00

Continued on Page 7

Notes Pertaining to 2009 Form 990-PF
(Statement Presenting Additional Required Information)

(J) – Supplementary Information (Form 990-PF, Part XV, Page 10) - Continued

Line 3 - Grants and Contributions Paid During the Year - Continued

(33) Jewish Vocational Service 6505 Wilshire Boulevard, Suite 200 Los Angeles, CA 90048	N/A	501(c)(3) educational & institution	Support educational and charitable work of institution	150.00
(34) American Society for the Protection of Nature in Israel 28 Arrandale Avenue Great Neck, NY 11024	N/A	501(c)(3) educational	Advance efforts to protect nature in Israel	150.00
(35) Masorti Foundation for Conservative Judaism in Israel c/o Michael Teta Associates 13107 Ventura Boulevard, Suite 206 Studio City, CA 91604	N/A	501(c)(3) religious	Support activities of Conservative Judaism in Israel	150.00
(36) Na'amat USA 350 Fifth Avenue, Suite 4700 New York, NY 10018	N/A	501(c)(3) educational	Support women's efforts for equality and status	125.00
(37) Santa Monica Symphony Association P. O. Box 3101 Santa Monica, CA 90408-3101	N/A	501(c)(3) artistic	Support artistic work of institution	100.00
(38) Middle-East Media Research Institute P. O. Box 27837 Washington, DC 20038-7837	N/A	501(c)(3) educational	Support educational work of organization	100.00

Total Grants and Contributions Disbursed in 2009 .... $25,725.00

APS
05/9/2010

ENCLOSURE 1, PAGE 1

UBS

UBS Financial Services Inc.
1 CALIFORNIA STREET
SAN FRANCISCO CA 94111-5401

CPP1002179229 1209 X15 FN 0

Resource Management Account

December 2009

Your Financial Advisor:
JAKOSA
Phone 415-954-6700/800-826-7014

Questions about your statement?
Call your Financial Advisor or the RMA ResourceLine at 800-RMA-1000, account 080047425

Visit our website:
www.ubs com/financialservices

Account name: ARTHUR AND EDITH STERN FAMILY FOUNDATION
Account number: FN 47425 SM

Your investment objectives:
You have identified the following investment objectives for this account. If you have questions about these objectives, disagree with them, or wish to change them, please contact your Financial Advisor or Branch Manager You can find a full description of the alternative investment objectives in *Important information about your statement* at the end of this document.

Your return objective:
Current income & capital appreciation
Your risk profile:
Primary - Moderate
Secondary - Aggressive/Speculative

Value of your account

	on November 30 ($)	on December 31 ($)
Your assets	590,058.43	587,901 73
Your liabilities	0.00	0 00
Value of your account	**$590,058.43**	**$587,901.73**
Accrued interest in value above	$539.66	$970 99

Change in the value of your account

	December 2009 ($)	Year to date ($)
Opening account value	**$590,058.43**	**$449,400.19**
Withdrawals and fees, including securities transferred out	-9,450 00	-25,920 76
Dividend and interest income	4,223 49	36,384.18
Change in value of outside assets/accruals	431 33	-258 12
Change in market value	2,638 48	128,296 24
Closing account value	**$587,901.73**	**$587,901.73**

ENCLOSURE 1, PAGE 21

UBS

Account name: ARTHUR AND EDITH STERN
Account number: FN 47425 SM

Cash activity summary

See the section *Account activity this month* for details UBS Bank USA deposit account balances are included in the *opening and closing balances* value, are insured by the FDIC within applicable limits, but are not protected by SIPC See *Important information about your statement* at the end of this document for details about those balances

	December 2009 ($)	Year to date ($)
Opening balances	**$50,600.39**	**$17,130.48**
Additions		
Dividend and interest income	4,223 49	36,384 18
Proceeds from security transactions	6 30	20,031 45
Total additions	**$4,229.79**	**$56,415.63**
Subtractions		
Checks and bill payments	-9,450 00	-25,920 76
Funds withdrawn for securities bought	-268 20	-2,513 37
Total subtractions	**-$9,718.20**	**-$28,434.13**
Net cash flow	**-$5,488.41**	**$27,981.50**
Closing balances	**$45,111.98**	**$45,111.98**

Dividend and interest income earned

For purposes of this statement, taxability of interest and dividend income has been determined from a US tax reporting perspective Based upon the residence of the account holder, account type, or product type, some interest and/or dividend payments may not be subject to United States (US) and/or Puerto Rico (PR) income taxes The client monthly statement is not intended to be used and cannot be relied upon for tax purposes Clients should refer to the applicable tax reporting forms they receive from UBS annually, such as the Forms 1099 and the Forms 480, for tax reporting information It is the practice of UBS to file the applicable tax reporting forms with the US Internal Revenue Service and PR Treasury Department, and in such forms accurately classify dividends and/or interest as tax exempt or taxable income Please consult your individual tax preparer

	December 2009 ($)	Year to date ($)
Taxable dividends	2,768 80	15,475 97
Taxable interest	1,454.69	20,315 20
Total current year	**$4,223.49**	**$35,791.17**
Prior year adjustment	0 00	593 01
Total dividend & interest	**$4,223.49**	**$36,384.18**

Summary of gains and losses

Values reported below exclude products for which gains and losses are not classified

	Realized gains and losses		Unrealized
	December 2009 ($)	Year to date ($)	gains and losses ($)
Short term	0 00	0 00	1,168 47
Long term	-2.68	-502 50	-56,371 41
Total	**-$2.68**	**-$502.50**	**-$55,202.94**

Your assets

Some prices, income and current values shown may be approximate As a result, gains and losses may not be accurately reflected See *Important information about your statement* at the end of this document for more information.

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/Interest period	Days in period
Cash	0 00	553 13				
RMA MONEY MKT PORTFOLIO	50,600 39	44,558 85	1 00	0.01%	Nov 23 to Dec 23	31
Total	**$50,600.39**	**$45,111.98**				

Equities

Common stock

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AEGON NV ADR N Y SHS NETHERLANDS ADR Symbol: AEG Exchange: NYSE	Jun 24, 03	300 000	9 910	3,028 25	6.410	1,923 00	-1,105.25	LT
ALCATEL-LUCENT SPON ADR Symbol. ALU Exchange NYSE	May 7, 03	390 000	11.731	4,640 50	3.320	1,294.80	-3,345.70	LT
AMERICA MOVIL S.A.B DE C V. SER L SPON ADR Symbol. AMX Exchange NYSE EAI: $908 Current yield: 0 97%	Feb 7, 95	2,000 000	2 181	4,424 54	46.980	93,960 00	89,535.46	LT
AOL INC Symbol: AOL Exchange. NYSE	Dec 21, 04	30 000	32 633	987.96	23 280	698.40	-289.56 *	LT
AT&T INC Symbol T Exchange. NYSE EAI. $1,680 Current yield: 5 99%	Sep 12, 03	1,000 000	24 870	24,870 00 [1]	28 030	28,030 00	3,160 00	LT
CBS CORP NEW CL B Symbol CBS Exchange NYSE EAI. $50 Current yield: 1 42%	Dec 6, 02	250.000	34 536	8,634 16 [1]	14 050	3,512 50	-5,121 66	LT
CITIGROUP INC Symbol C Exchange NYSE	Jan 22, 08	8,769.000	3.421	30,000 00	3 310	29,025 39	-974 61	LT

continued next page

ENCLOSURE 1, PAGE 4

UBS

Account name: ARTHUR AND EDITH STERN
Account number: FN 47425 SM

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
TIME WARNER CABLE INC								
Symbol: TWC Exchange NYSE	Dec 21, 04	83 000	57 136	4,785 69	41 390	3,435 37	-1,350 32	LT
TIME WARNER INC NEW								
Symbol TWX Exchange NYSE								
EAI $250 Current yield 2 58%	Dec 21, 04	333 000	40 561	13,630 44	29 140	9,703 62	-3,926.82 *	LT
VIACOM INC NEW CL B								
Symbol: VIAB Exchange: NYSE	Dec 6, 02	250 000	55 763	13,940 84 [1]	29 730	7,432 50	-6,508.34	LT
Total				**$108,942.38**		**$179,015.58**	**$70,073.20**	

Total estimated annual income: $2,888

[1] Indicates cost basis information has been provided by a source other than UBS Financial Services

Asterisk * indicates the calculation of unrealized gains/losses based upon a UBS Financial Services adjustment to cost basis

Closed end mutual funds

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
NEUBERGER BERMAN REAL ESTATE								
SEC INC FD								
Symbol: NRO Exchange AMEX								
EAI $1,162 Current yield 7.87%	Sep 9, 03	1,831.515	10 810	19,999.25	3 050	5,586.12	-14,413 13	LT
	Earnings	3,008 485	7 291	21,936 04	3 050	9,175 88	-12,760 16	
Security total		4,840 000		41,935.29		14,762 00	-27,173 29	

Mutual funds

Total reinvested is the total of all reinvested dividends It does not include any cash dividends It is not a tax lot for the purposes of determining holding periods or cost basis The shares you receive each time you reinvest dividends become a separate tax lot

Cost basis is the total purchase cost of the security, including reinvested dividends The cost basis may need to be adjusted for return of capital payments in order to determine the adjusted cost basis for tax reporting purposes

Unrealized gain or loss is the difference between the current value and the cost basis The unrealized gain or loss may need to be adjusted for return of capital payments in order to determine the realized gain or loss for tax reporting purposes

Investment return is the current value minus the amount you invested. It does not include any cash dividends that were not reinvested

Holding	Number of shares	Purchase price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Investment return ($)	Holding period
AIM SELECT REAL ESTATE									
INCOME FUND CLASS A									
Trade date Sep 9, 03	1,300 000	14 750	19,375 25	19,375 25	7 140	9,282 00	-10,093 25		LT
Total reinvested	1,239 087	8 632		10,695 91	7.140	8,847 08	-1,848.83		
EAI. $559 Current yield 3 08%									

continued next page

Your assets › Equities › Mutual funds (continued)

Holding	Number of shares	Purchase price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Investment return ($)	Holding period
Security total	2,539.087		19,375 25	30,071 16		18,129.08	-11,942.08	-1,246.17	

Fixed income

Corporate bonds and notes

Prices are obtained from independent quotation bureaus that use computerized valuation formulas to calculate current values Actual market values may vary and thus gains/losses may not be accurately reflected Cost basis has been adjusted for accreted original issue discount (OID). If you have made a tax election to deduct the premium amortization on taxable debt securities, you may request that UBS adjust cost basis for the bond premium amortization

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AT&T BROADBAND CORP GLOBAL B/E RATE 09 455% MATURES 11/15/22 ACCRUED INTEREST $229 54 CUSIP 00209TAB1 Moody· Baa1 S&P: BBB+ EAI: $1,796 Current yield. 7.35%	Aug 06, 97	19,000.000	106 926	20,316 06 [1]	128 615	24,436 85	4,120 79	LT
LUCENT TECHNOLOGIES INC GLOBAL RATE 06.450% MATURES 03/15/29 ACCRUED INTEREST $474.79 CUSIP 549463AE7 Moody: B1 S&P: B EAI: $1,613 Current yield 9.01%	Feb 18, 04	25,000 000	86.351	21,587.96 [1]	71 625	17,906 25	-3,681.71	LT
GENERAL MTRS ACCEP CORP RATE 08 000% MATURES 11/01/31 ACCRUED INTEREST $266 66 CUSIP 370425RZ5 Moody Ca S&P: CCC EAI· $1,600 Current yield 8.89%	Feb 05, 03	20,000 000	104 128	20,825 65 [1]	89 972	17,994 40	-2,831.25	LT
Total		**$64,000.000**		**$62,729.67**		**$60,337.50**	**-$2,392.17**	

Total accrued interest: $970.99

Total estimated annual income: $5,009

[1] Indicates cost basis information has been provided by a source other than UBS Financial Services

ENCLOSURE 1, PAGE 6

UBS

Account name: ARTHUR AND EDITH STERN
Account number: FN 47425 SM

Preferred securities

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AMB PPTY CORP SER L 6 50% PREFERRED Symbol AMBPRL Exchange NYSE EAI $1,300 Current yield 7 91%	Sep 9, 03	800 000	24 240	19,589 25	20 545	16,436 00	-3,153 25	LT
BAC CAP TRUST 6 2500% DUE 03/29/55 CALL 03/29/11@25 00 Symbol BACPRB Exchange NYSE EAI $1,563 Current yield 8.06%	Oct 11, 07	1,000 000	23 450	23,655 25	19 390	19,390 00	-4,265 25	LT
DELPHI FINL GROUP INC 8..0000% 05/15/33 CALLABLE 05/15/08 Symbol. DFY Exchange. NYSE EAI $1,600 Current yield. 8 23%	May 27, 03	800 000	25.700	20,765 25	24 305	19,444 00	-1,321 25	LT
GENERAL MOTORS CORP 7 25% SENIOR NOTES DUE 02/15/52 IN DEFAULT Symbol. RGM Exchange NYSE	May 21, 03	800.000	24.970	20,181 25	5 150	4,120 00	-16,061 25	LT
GEORGIA POWER CAP TR VII 5 8750% DUE 01/15/44 CALLABLE Symbol GPEPRX Exchange OTC EAI: $1,175 Current yield 5.78%	Feb 18, 04	800 000	24 790	19,886 85	25 432	20,345 60	458 75	LT
GMAC LLC 7 3750% SENIOR NOTES DUE 12/16/44 CALLABLE Symbol GOM Exchange NYSE EAI: $1,475 Current yield. 9.74%	Dec 13, 04	800 000	25 000	20,005 25	18 920	15,136 00	-4,869 25	LT
HSBC FINANCE CORP 6 8750% SENIOR NOTES DUE 01/30/33 CALLABLE Symbol. HTB Exchange NYSE EAI $1,375 Current yield 6 99%	Feb 3, 03	800 000	25 600	20,485 25	24 590	19,672 00	-813 25	LT

continued next page

Your assets › Fixed income › Preferred securities (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
LEHMAN BROS HLDGS CAP TR 6 000% DUE 04/22/53 CALLABLE SER M Symbol. LHHMQ Exchange OTC	May 12, 04	1,000 000	21 070	21,125 25	0 200	200 00	-20,925 25	LT
MORGAN STANLEY CAP TR IV 6.250% DUE 04/01/33 CALLABLE Symbol: MWG Exchange: NYSE EAI: $1,562 Current yield 7 40%	Oct 11, 07	1,000 000	22.740	22,945 25	21.120	21,120.00	-1,825 25	LT
MS CAPITAL TRUST III 6 250% DUE 3/01/33 CALLABLE 3/1/08@25 00 Symbol· MWR Exchange· NYSE EAI: $1,250 Current yield· 7.37%	Feb 18, 04	800 000	25 480	20,438.85	21.200	16,960.00	-3,478.85	LT
PNC CAPITAL TRUST D 6.1250% DUE 12/15/33 CALLABLE Symbol. PNU Exchange· NYSE EAI: $1,531 Current yield. 6 79%	May 12, 04	1,000 000	21.370	21,425 25	22.549	22,549.00	1,123 75	LT
PROLOGIS TRUST CUML 6.75% PREFERRED CLBL Symbol. PLDPRF Exchange: NYSE EAI. $1,350 Current yield 7.92%	Dec 15, 03	800 000	24 860	20,005 25	21.300	17,040 00	-2,965 25	LT
RBS CAPITAL FUND TRUST V SER E 5 900% PREFERRED CLBL Symbol: RBSPRE Exchange· NYSE EAI· $2,213 Current yield. 14 75%	Mar 13, 06	1,500.000	23 780	35,825.25	10 000	15,000 00	-20,825 25	LT
USB CAP XII 6.300% DUE 02/15/67 CALLABLE Symbol. USBPRK Exchange. NYSE EAI· $1,575 Current yield. 6.88%	Oct 11, 07	1,000 000	22.870	23,075 25	22 880	22,880 00	-195 25	LT

continued next page

UBS

Account name: ARTHUR AND EDITH STERN
Account number: FN 47425 SM

Your assets › Fixed income › Preferred securities (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
VORNADO REALTY TRUST CALLABLE@25 00 12/22/09 SER G 6 625% PREFERRED CLBL Symbol VNOPRG Exchange NYSE EAI $1,656 Current yield 7 65%	Jun 6, 07	1,000 000	24 580	24,785 25	21 650	21,650 00	-3,135 25	LT
VORNADO REALTY TRUST CALL 8/31/10@$25.00 SER I 6 625% PREFERRED Symbol VNOPRI Exchange NYSE EAI $1,325 Current yield 7 51%	Aug 9, 06	800 000	23 930	19,149 25	22 040	17,632 00	-1,517 25	LT
Total				**$353,343.20**		**$269,574.60**	**-$83,768.60**	

Total estimated annual income: $20,950

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**45,111.98**	**7.67%**	**45,111.98**		
Equities	Common stock	179,015.58		108,942 38	2,888 00	70,073 20
	Closed end mutual funds	14,762 00		41,935 29	1,162 00	-27,173.29
	Mutual funds	18,129 08		30,071 16	559 00	-11,942 08
	Total equities	**211,906.66**	**36.05%**	**180,948.83**	**4,609.00**	**30,957.83**
Fixed income	Corporate bonds and notes	60,337 50		62,729 67	5,009 00	-2,392 17
	Preferred securities	269,574 60		353,343.20	20,950 00	-83,768 60
	Total accrued interest	970 99				
	Total fixed income	**330,883.09**	**56.28%**	**416,072.87**	**25,959.00**	**-86,160.77**
Total		**$587,901.73**	**100.00%**	**$642,133.68**	**$30,568.00**	**-$55,202.94**

Account activity this month

	Date	Activity	Description	Amount ($)
Dividend and interest income				
Taxable dividends	Dec 3	Dividend	NEUBERGER BERMAN REAL ESTATE SEC INC FD AS OF 11/30/09	96 14
	Dec 9	Dividend	TIME WARNER INC NEW PAID ON 333	62 44
	Dec 15	Dividend	AIM SELECT REAL ESTATE INCOME FUND CLASS A AS OF 12/11/09	173.74

continued next page

ENCLOSURE 2, PAGE 1

Online at: **www.mlol.ml.com**   Account Number 210-04028   24-Hour Assistance: (800) MERRILL

TOTAL MERRILL

ARTHUR & EDITH STERN
FAMILY FOUNDATION
606 N OAKHURST DR
BEVERLY HILLS CA 90210-3531

Net Portfolio Value: $187,150.81

Your Financial Advisor:
THE SCHLOSS GROUP
9560 WILSHIRE BLVD 3RD FLR
BEVERLY HILLS CA 90212
(800) 759-6066

EMA® ACCOUNT

December 01, 2009 - December 31, 2009

ASSETS

	December 31	*November 30*
Cash/Money Accounts	**21,263.81**	15 328.54
Fixed Income	**108,036.00**	102 256 00
Equities	**57,851.00**	15,850.00
Mutual Funds	-	-
Options	-	-
Other	-	-
Subtotal (Long Portfolio)	***187,150.81***	*133,434 54*
TOTAL ASSETS	**$187,150 81**	$133 434 54

LIABILITIES

Debit Balance	-	-
Short Market Value	-	-
TOTAL LIABILITIES	-	-
NET PORTFOLIO VALUE	**$187,150.81**	$133 434.54

CASH FLOW

	This Statement	*Year to Date*
Opening Cash/Money Accounts	**$15,328.54**	
CREDITS		
Funds Received	**5,000.00**	5,000.00
Electronic Transfers	-	-
Other Credits	-	-
Subtotal	**5,000.00**	5,000.00
DEBITS		
Electronic Transfers	-	-
Margin Interest Charged	-	-
Other Debits	-	(150.00)
Visa Purchases *(debits)*	-	-
ATM/Cash Advances	-	-
Checks Written/Bill Payment	-	-
Subtotal	-	*(150.00)*
Net Cash Flow	**$5,000.00**	$4,850 00
Dividends/Interest Income	**935.27**	8,224.35
Security Purchases/Debits	-	(6 170 00)
Security Sales/Credits	-	-
Closing Cash/Money Accounts	**$21,263.81**	
Securities You Transferred In/Out	**43,097.00**	43 097 00

ENCLOSURE 2, PAGE 2

YOUR EMA BANK DEPOSIT INTEREST SUMMARY

December 01, 2009 - December 31, 2009

Money Account Description	*Opening Balance*	*Average Deposit Balance*	*Current Yield%*	*Interest on Deposits*	*Closing Balance*
FIA Card Services, N.A.	15,328	16,258	.25	3.39	**21,263**
TOTAL *ML Bank Deposit Program*	15,328			3.39	**21,263**

YOUR EMA ASSETS

CASH/MONEY ACCOUNTS *Description*	*Quantity*	*Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Estimated Annual Income*	*Est. Annual Yield%*
CASH	0.81	0.81		**.81**		
ML BANK DEPOSIT PROGRAM	21,263.00	21,263.00	1.0000	**21,263.00**	**53**	.25
TOTAL		21,263.81		**21,263.81**	**53**	.25

PREFERRED STOCKS *Description*	*Acquired*	*Quantity*	*Adjusted/Total Cost Basis*	*Estimated Market Price*	*Estimated Market Value*	*Unrealized Gain/(Loss)*	*Estimated Accrued Interest*	*Estimated Annual Income*	*Current Yield%*
BANK OF AMERICA CORP	02/08/08	400	8,036.00	17.8600	7,144 00	(892.00)		409	5.72
NEW MONEY SER E FLT% PERPETUAL									
MOODY'S. BA3 S&P. BB CUSIP. 060505815									
BANK OF AMERICA CORP	02/08/08	600	12,090 00	17 8600	10 716.00	(1,374 00)		614	5 72
Subtotal		*1.000*	*20,126.00*		**17,860.00**	*(2,266.00)*		***1,023***	5.72
BANK ONE CAPITAL VI	10/14/05	1.000	25,244 80	25.1300	**25,130.00**	(114 80)		**1,801**	7 16
DEF INT TRUST PFD SECS 07.200% OCT 15 2031									
*MOODY'S A2 S&P: *** CUSIP 06423W201*									
CITIGROUP CAP TRUST XV	01/15/08	1.200	27,205.25	18 6300	**22,356.00**	(4,849.25)		**1,950**	8.72
TRUST PFD SECS 06 500% SEP 15 2066									
MOODY'S. BAA3 S&P B+ CUSIP: 17310G202									
CITIGROUP CAPITAL VIII	10/14/05	1.000	25 444 66	20 7500	**20,750.00**	(4,694 66)		**1,737**	8.37
DEF INT TRUST PFD STK 6 950% SEPT 15 2031									
MOODY'S BAA2 S&P B+ CUSIP 17306R204									

ENCLOSURE 2, PAGE 3

ARTHUR & EDITH STERN

Account Number 210-04028

TOTAL MERRILL®

YOUR EMA ASSETS

December 01, 2009 - December 31, 2009

PREFERRED STOCKS (continued) Description	Acquired	Quantity	Adjusted/Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
MORGAN STANLEY CAP TRVII CAPITAL SECURITIES 06.60% OCT 15 2066 MOODY'S A3 S&P BBB CUSIP 61750K208	01/15/08	1.000	23,270 00	21 9400	**21,940.00**	(1,330.00)		**1,650**	7.52
TOTAL		5 200	121,290.71		**108,036.00**	(13,254.71)		**8,161**	7.55

PLEASE REFER TO NOTES BELOW FOR INFORMATION REGARDING CREDIT RATINGS.

EQUITIES Description	Symbol	Acquired	Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Current Yield%
BANK OF AMERICA CORP	BAC	02/06/09	1 000	6.1700	6,170.00	15 0600	**15,060.00**	8,890 00	**40**	.26
EDISON INTL CALIF	EIX	~~10/09/02~~ 12/21/09	700	~~9.2059~~ 35.56	~~6,446 99~~ 24,892	34.7800	**24,346.00**	17,899 01	**883**	3.62
OGE ENERGY CORP PV $0.01	OGE	~~06/05/92~~ 12/21/09	500	~~15.6719~~ 36.41	~~7,835 95~~ 18,205	36.8900	**18,445.00**	10,609 05	**725**	3.93
TOTAL					~~20,452 94~~ 49,267.		**57,851.00**	37,398 06	**1,648**	2.85

RESEARCH RATINGS

Security	Symbol	BAS-ML Research Rating	IPR Rating*	IPR Rating*	Jaywalk Consensus Rating SELL HOLD BUY
EDISON INTL CALIF	EIX	B-2-7	Hold -Morningstar	Buy -Standard & Poor's	1.71
OGE ENERGY CORP PV $0 01	OGE	N/A	Hold -Morningstar	No Coverage	1.65

PLEASE REFER TO THE BACK OF YOUR STATEMENT FOR A GUIDE TO YOUR BAS-ML RESEARCH AND IPR RATINGS.

ARTHUR & EDITH STERN   Account Number: 210-04028   24-Hour Assistance: (800) MERRILL

YOUR EMA ASSETS

December 01 2009 - December 31, 2009

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL	~~163,007.46~~ 141,821.52	**187,150.81**	~~24,143.35~~ (4,670.71) LOSS		**9,862**	5.27

Notes

For Credit Ratings: S&P and Moody's provide credit ratings on the credit quality of certain bonds and preferred stocks. For a credit enhanced security, Moody's and S&P publish and provide third party vendors the higher of the rating on the credit enhancer (guarantor) or the stand alone rating on the underlying security.

YOUR EMA TRANSACTIONS

DIVIDENDS/INTEREST INCOME TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income	Income Year To Date
12/15	¤ Bond Interest		CITIGROUP CAPITAL VIII DEF INT TRUST PFD STK 6.950% SEPT 15 2031 HOLDING 1000.0000 PAY DATE 12/15/2009	434.38	
12/15	¤ Bond Interest		CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066 HOLDING 1200.0000 PAY DATE 12/15/2009	487.50	
12/31	¤ Bank Interest		BANK DEPOSIT INTEREST	.39	
	Income Total		ML BANK DEPOSIT PROGRAM	3.00	
	Subtotal (Taxable Interest)			925.27	7,170.45
12/24	* Dividend		BANK OF AMERICA CORP HOLDING 1000.0000 PAY DATE 12/24/2009	10.00	
	Subtotal (Taxable Dividends)			10.00	1,053.90
	NET TOTAL			**935.27**	**8,224.35**

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