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 04/01 , 2009, and ending 03/31, 2010

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: S.T.A.R FOUNDATION INC.

A Employer identification number: 13-6161266

Number and street (or P O box number if mail is not delivered to street address): 122 BAYBERRY PLACE Room/suite

B Telephone number (see page 10 of the instructions): (336) 940-2338

City or town, state, and ZIP code: ADVANCE, NC 27006-8408

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 ▶ [ ]

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 1,058,436.

J Accounting method [X] Cash [ ] Accrual [ ] Other (specify) ______ *(Part I, column (d) must be on cash basis.)*

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) (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)	5,197.			
	2 Check ▶ [ ] if the foundation is **not** required to attach Sch B.				
	3 Interest on savings and temporary cash investments	61.	61.		ATCH 1
	4 Dividends and interest from securities	26,624.	26,624.		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	17,317.			
	b Gross sales price for all assets on line 6a 160,971.				
	7 Capital gain net income (from Part IV, line 2)		17,317.		
	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	49,199.	44,002.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	18,300.	7,200.		11,100.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) **	4,529.	1,192.		1,837.
	19 Depreciation (attach schedule) and depletion	649.			
	20 Occupancy	2,231.			2,231.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 4	3,583.			3,583.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	29,292.	8,392.		18,751.
	25 Contributions, gifts, grants paid	39,850.			39,850.
	26 **Total expenses and disbursements.** Add lines 24 and 25	69,142.	8,392.		58,601.
	27 Subtract line 26 from line 12.				
	a **Excess of revenue over expenses and disbursements**	-19,943.			
	b **Net investment income** (if negative, enter -0-)		35,610.		
	c **Adjusted net income** (if negative, enter -0-).			-0-	

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8

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	24,029.	45,163.	45,163.
3	Accounts receivable ▶ 10,516.			
	Less: allowance for doubtful accounts ▶	11,549.	10,516.	
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			
10 a	Investments - U S and state government obligations (attach schedule)			
b	Investments - corporate stock (attach schedule) ATCH 5	705,650.	661,430.	1,013,273.
c	Investments - corporate bonds (attach schedule)			
11	Investments - land, buildings, and equipment: basis ▶ 3,977.			ATCH 6
	Less accumulated depreciation (attach schedule) ▶ 2,353.	2,273.	1,624.	
12	Investments - mortgage loans			
13	Investments - other (attach schedule)			
14	Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ ATCH 7)	2.		
16	**Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	743,503.	718,733.	1,058,436.
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. ▶ [X]			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	743,503.	718,733.	
30	**Total net assets or fund balances** (see page 17 of the instructions)	743,503.	718,733.	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	743,503.	718,733.	

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	743,503.
2	Enter amount from Part I, line 27a	2	-19,943.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	723,560.
5	Decreases not included in line 2 (itemize) ▶ ATTACHMENT 8	5	4,827.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	718,733.

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(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				

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	17,317.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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	75,974.	876,692.	0.086660
2007	93,108.	1,149,255.	0.081016
2006	117,125.	1,283,956.	0.091222
2005	88,434.	1,110,600.	0.079627
2004	70,987.	1,033,455.	0.068689

2 **Total** of line 1, column (d)	2	0.407214
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	0.081443
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	892,223.
5 Multiply line 4 by line 3	5	72,665.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	356.
7 Add lines 5 and 6	7	73,021.
8 Enter qualifying distributions from Part XII, line 4	8	58,601.

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 ruling 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	712.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	712.
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	712.
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a: 1,755.		
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:		
7	Total credits and payments. Add lines 6a through 6d	7	1,755.
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	1,043.
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 712. **Refunded** ▶	11	331.

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		X
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		X
	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		X
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		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ______			
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	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 on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses* ATTACHMENT 9	10		X

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		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 ▶ RICHARD SMOLOWE Telephone no. ▶ 336-940-2338

Located at ▶ 122 BAYBERRY PLACE ADVANCE, NC ZIP + 4 ▶ 27006-8408

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

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		X
	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		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 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 ▶ ____, ____, ____, ____			
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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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** No: 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** No: X

If "Yes" to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** No: X

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
ATTACHMENT 10		18,300.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
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	880,139.
b	Average of monthly cash balances	1b	25,671.
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	905,810.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	905,810.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	13,587.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	892,223.
6	**Minimum investment return.** Enter 5% of line 5	6	44,611.

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	44,611.
2a	Tax on investment income for 2009 from Part VI, line 5	2a 712.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	712.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	43,899.
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	43,899.
6	Deduction from distributable amount (see page 25 of the instructions)		6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	43,899.

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	58,601.
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	58,601.
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	58,601.

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				43,899.
2	Undistributed income, if any, as of the end of 2009				
a	Enter amount for 2008 only				
b	Total for prior years 20 07 ,20 06 ,20 05				
3	Excess distributions carryover, if any, to 2009:				
a	From 2004 20,279.				
b	From 2005 33,870.				
c	From 2006 55,235.				
d	From 2007 38,917.				
e	From 2008 32,629.				
f	Total of lines 3a through e	180,930.			
4	Qualifying distributions for 2009 from Part XII, line 4. ▶ $ 58,601.				
a	Applied to 2008, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d	Applied to 2009 distributable amount				43,899.
e	Remaining amount distributed out of corpus	14,702.			
5	Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	195,632.			
b	Prior years' undistributed income. Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions				
e	Undistributed income for 2008 Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions				
f	Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	20,279.			
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	175,353.			
10	Analysis of line 9.				
a	Excess from 2005 33,870.				
b	Excess from 2006 55,235.				
c	Excess from 2007 38,917.				
d	Excess from 2008 32,629.				
e	Excess from 2009 14,702.				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

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

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

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).)

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT ATTACHED	NONE	509A	GENERAL PURPOSE	39,850.
Total . . . . ▶ **3a**				39,850.
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See page 28 of the instructions.)
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	61.	
4 Dividends and interest from securities			14	26,624.	
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	17,317.	
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)				44,002.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 44,002.

(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)
	NOT APPLICABLE

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)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		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

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

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 of officer or trustee: [signature] | Date: 8/9/2010 | Title: Pres.

Paid Preparer's Use Only

Preparer's signature: [signature]	Date: 8/5/10	Check if self-employed ☐	Preparer's identifying number (See Signature on page 30 of the instructions): P00194921
Firm's name (or yours if self-employed), address, and ZIP code	DANIEL PROFESSIONAL GROUP, INC. 4400 SILAS CREEK PARKWAY, SUITE 200 WINSTON-SALEM, NC 27104	EIN ▶ 56-1215661	Phone no 336-768-3290

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
S.T.A.R FOUNDATION INC.

Employer identification number
13-6161266

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 33 1/3 % 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 S.T.A.R·FOUNDATION INC.

Employer identification number 13-6161266

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SASHA BARRIS 308 EAST 72ND STREET NEW YORK, NY 10021	$ 5,000.	Person [X] 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)

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
MERRILL LYNCH		61.	61.
	TOTAL	61.	61.

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

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
MERRILL LYNCH		26,584.	26,584.
K-1 PASS-THRU INTEREST		19.	19.
K-1 PASS-THRU DIVIDENDS		21.	21.
	TOTAL	26,624.	26,624.

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
PAYROLL TAX		3,029.	1,192.	1,837.
FEDERAL TAX		1,500.		
	TOTALS	4,529.	1,192.	1,837.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
DUES & SUBSCRIPTIONS	1,434.	1,434.
GIFTS & GRATUITIES	400.	400.
OFFICE EXPENSE & PRINTING	1,354.	1,354.
TELEPHONE & ONLINE	395.	395.
TOTALS	3,583.	3,583.

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 5

DESCRIPTION		ENDING BOOK VALUE	ENDING FMV
MERRILL LYNCH		661,430.	1,013,273.
	TOTALS	661,430.	1,013,273.

S.T.A.R. Foundation, Inc.
Securities and Realized Gains
F/Y/E 3/31/2010
EIN: 13-6161266

Shares	Security	Inventory at Cost 4/1/2009	Net Cash Additions (Withdr.)	Sales Proceeds	Gain or Loss	PTP K-1 Activity**	Inventory at Cost 3/31/2010	Market Value 3/31/2010
637	AMERICAN CAP LTD	18,055	441				18,496	3,236
1500	APOLLO INVESTMENT CORP	34,780					34,780	19,095
1500	ARES CAPITAL	28,136					28,136	22,230
1150	ATLAS PIPELINE PARTNERS	33,743	(173)	7,944	(25,626)		0	
500	BB&T	15,075		12,794	(2,281)		0	
350	CENTURYTEL INC		11,665				11,665	12,411
1425	COPANO ENERGY LLC		24,636			(3,293)	21,343	34,485
1154	DEVELOPERS DVSFD	14,157	384	11,434	(3,107)		0	
1500	ENBRIDGE ENERGY	36,584	(3,168)	71,102	37,686		0	
825	ENERGY TRANSFER EQUITY		22,756			(1,451)	21,305	27,836
750	ENERGY TRANSFER PTNRS	9,858	19,267				29,125	35,145
5788	ENTERPRISE PRODUCTS	88,253	(12,705)				75,548	200,149
1500	HEALTH CARE PPTY	30,054	(1,993)				28,061	49,500
1000	HEALTH CARE REIT	17,163					17,163	45,230
500	INERGY L P		17,787				17,787	18,900
3500	ING CLARION	73,680					73,680	26,458
800	KINDERMORGAN ENERGY	35,525	(3,360)				32,165	52,336
349	LOOMIS SAYLES STRATEGIC		5,000				5,000	5,012
313	MACERICH CO	14,607	453	9,734	(5,326)		0	
3600	MAGELLAN MIDSTREAM	62,499	(10,224)				52,275	171,108
500	MARKWEST ENERGY	13,740	(1,280)				12,460	15,325
1000	NATIONAL HEALTH	17,137					17,137	35,150
350	NATIONAL HEALTH	5,326		11,529	6,203		0	
2718	NORTHSTAR REALTY	31,656					31,656	11,443
800	ONEOK PARTNERS	21,223	(880)				20,343	49,016
650	PIMCO STRATEGIC GLOBAL		6,380				6,380	6,708
538	PIMCO CORPORATE INCOME		6,350				6,350	8,070
825	PIMCO CORP OPPPTY FD		11,589				11,589	13,637
1025	PIMCO TOTAL RETURN FD		11,000				11,000	11,323
1142	PRECISION DRILLING	12,875	385				13,260	8,759
1000	PROSPECT ENERGY	18,550					18,550	12,150
175	SIMON PROPERTY	8,243		10,899	2,656		0	
214	SIMON PROPERTY	9,711	367				10,078	17,955
300	SUBURBAN PROPANE	10,761	(992)				9,769	14,247
1500	VENTAS INC	19,405					19,405	71,220
500	VODAFONE	10,980		11,469	489		0	
212	VORNADO REALTY	7,251	192	14,023	6,580		0	
200	VORNADO REALTY	6,623	301				6,924	15,140
		705,650	104,178	160,928	17,274	(4,744)	661,430	1,013,273

INVESTMENTS - LAND, BUILDINGS, EQUIPMENT

ATTACHMENT 6

		FIXED ASSET DETAIL				ACCUMULATED DEPRECIATION DETAIL			
ASSET DESCRIPTION	METHOD/ CLASS	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
FURN & FIXTURES	M7	3,977.			3,977.	1,704.	649.		2,353.
TOTALS		3,977			3,977.	1,704.			2,353.

FORM 990PF, PART II - OTHER ASSETS

ATTACHMENT 7

DESCRIPTION

ROUNDING

TOTALS

ATTACHMENT 8

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

DESCRIPTION		AMOUNT
UNALLOWED PTP LOSSES		4,827.
	TOTAL	4,827.

FORM 990PF, PART VII-A, LINE 10 - NEW SUBSTANTIAL CONTRIBUTORS

ATTACHMENT 9

NAME AND ADDRESS	DATE	DIRECT PUBLIC SUPPORT
SASHA BARRIS 308 EAST 72ND STREET NEW YORK, NY 10021	12/10/2009	5,000.
TOTAL CONTRIBUTION AMOUNTS		5,000.

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

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
RICHARD SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006	PRESIDENT 10.00	7,200.	0.	0.
GRETA SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006	VICE PRESIDENT 10.00	11,100.	0.	0.
ALAN SMOLOWE 2113 PALM VIEW DRIVE APOPKA, FL 32712	DIRECTOR 0.00	0.	0.	0.
JILL SMOLOWE 2 FERNCLIFF TERRACE MONTCLAIR, NJ 07042	DIRECTOR 0.00	0.	0.	0.
JONATHAN SMOLOWE 5244 LOVERING DRIVE DOYLETOWN, PA 18901	DIRECTOR 0.00	0.	0.	0.
ANN SMOLOWE 23 DOUGLAS RIDGE NORWICH, VT 05055	DIRECTOR 0.00	0.	0.	0.
	GRAND TOTALS	18,300.	0.	0.

SCHEDULE D (Form 1041)

Department of the Treasury Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2009

Name of estate or trust: S.T.A.R FOUNDATION INC.

Employer identification number: 13-6161266

Note: *Form 5227 filers need to complete only Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a						

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	-9,124.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	-9,124.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a						

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	26,441.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	26,441.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. **Schedule D (Form 1041) 2009**

Part III Summary of Parts I and II
Caution: *Read the instructions* ***before*** *completing this part.*

			(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			-9,124.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			26,441.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			17,317.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet,*** *as necessary.*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of:
a The loss on line 15, column (3) **or** b $3,000 .... 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the **smaller** of the amount on line 17 or $2,300	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **No.** Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30; go to line 31 ☐ **No.** Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (.15)	30	
31	Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

SCHEDULE D-1 (Form 1041)

Department of the Treasury Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ See instructions for Schedule D (Form 1041).

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2009

Name of estate or trust: S.T.A.R FOUNDATION INC.

Employer identification number: 13-6161266

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a ATLAS PIPELINE - 400 SHS	08/11/2008	07/23/2009	2,763.	11,676.	-8,913.
DEVELOPERS DVSFD RLTY - 67 SH	04/23/2009	10/12/2009	664.	844.	-180.
DEVELOPERS DVSFD RLTY - 44 SHS	07/23/2009	10/12/2009	436.	554.	-118.
MACERICH CO - 8 SHS	06/23/2009	12/04/2009	245.	160.	85.
MACERICH CO - 5 SHS	09/22/2009	12/04/2009	153.	143.	10.
MACERICH CO - 5 SHS	12/23/2009	12/24/2009	143.	151.	-8.

1b **Total.** Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . -9,124.

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side	Employer identification number

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a ATLAS PIPELINE - 450 SHS	02/01/2005	07/23/2009	3,109.	13,136.	-10,027.
ATLAS PIPELINE - 300 SHS	12/09/2005	07/23/2009	2,072.	8,757.	-6,685.
BB&T CORPORATION - 500 SHS	06/03/2008	08/10/2009	12,794.	15,075.	-2,281.
SIMON PROPERTY GROUP - 175 SHS	12/10/2003	08/24/2009	10,899.	8,243.	2,656.
ENBRIDGE ENERGY PTNRS - 400 SH	05/21/2003	08/24/2009	17,591.	8,911.	8,680.
ENBRIDGE ENERGY PTNRS - 400 SH	10/03/2003	07/31/2009	18,594.	8,911.	9,683.
ENBRIDGE ENERGY PTNRS - 100 SH	10/03/2003	08/24/2009	4,398.	2,228.	2,170.
DEVELOPERS DVSFD RLTY - 343 SH	09/17/1998	10/12/2009	3,399.	4,322.	-923.
DEVELOPERS DVSFD RLTY - 400 SH	10/08/1998	10/12/2009	3,963.	5,042.	-1,079.
DEVELOPERS DVSFD RLTY - 300 SH	04/19/1999	10/12/2009	2,973.	3,780.	-807.
VORNADO REALTY TR - 212 SHS	02/12/2003	09/28/2009	14,023.	7,443.	6,580.
NATIONWIDE HLTH - 350 SHS	07/31/1992	11/11/2009	11,529.	5,326.	6,203.
MACERICH CO - 300 SHS	02/25/2004	12/04/2009	9,193.	14,607.	-5,414.
ENBRIDGE ENERGY PTNRS - 100 SH	05/21/2003	12/14/2009	5,086.	2,228.	2,858.
ENBRIDGE ENERGY PTNRS - 500 SH	10/03/2003	12/14/2009	25,432.	11,137.	14,295.
VODAPHONE GROP - 500 SHS	09/30/2008	01/06/2010	11,469.	10,980.	489.
PTP K-1 ACTIVITY		03/31/2010	43.		43.

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b . . . . 26,441.

Description of Property

DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
FURN & FIXTURES	08/31/2006	3,977	100.000			3,977.	1,704.	2,353.	200DB	HY			7		649.
Less Retired Assets															
Subtotals		3,977.				3,977.	1,704.	2,353.							649.

Listed Property

Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
Less Retired Assets															
Subtotals															
TOTALS		3,977.				3,977.	1,704.	2,353.							649.

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
TOTALS							

*Assets Retired

JSA
9X9024 1 000

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		ATLAS PIPELINE - 450 SHS PROPERTY TYPE: SECURITIES				P	02/01/2005	07/23/2009
3,109.		13,136.					-10,027.	
		ATLAS PIPELINE - 300 SHS					12/09/2005	07/23/2009
2,072.		8,757.					-6,685.	
		ATLAS PIPELINE - 400 SHS					08/11/2008	07/23/2009
2,763.		11,676.					-8,913.	
		BB&T CORPORATION - 500 SHS					06/03/2008	08/10/2009
12,794.		15,075.					-2,281.	
		SIMON PROPERTY GROUP - 175 SHS					12/10/2003	08/24/2009
10,899.		8,243.					2,656.	
		ENBRIDGE ENERGY PTNRS - 400 SH					05/21/2003	08/24/2009
17,591.		8,911.					8,680.	
		ENBRIDGE ENERGY PTNRS - 400 SH					10/03/2003	07/31/2009
18,594.		8,911.					9,683.	
		ENBRIDGE ENERGY PTNRS - 100 SH					10/03/2003	08/24/2009
4,398.		2,228.					2,170.	
		DEVELOPERS DVSFD RLTY - 343 SH					09/17/1998	10/12/2009
3,399.		4,322.					-923.	
		DEVELOPERS DVSFD RLTY - 400 SH					10/08/1998	10/12/2009
3,963.		5,042.					-1,079.	
		DEVELOPERS DVSFD RLTY - 300 SH					04/19/1999	10/12/2009
2,973.		3,780.					-807.	
		DEVELOPERS DVSFD RLTY - 67 SH					04/23/2009	10/12/2009
664.		844.					-180.	

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		DEVELOPERS DVSFD RLTY - 44 SHS					07/23/2009	10/12/2009
436.		554.					-118.	
		VORNADO REALTY TR - 212 SHS					02/12/2003	09/28/2009
14,023.		7,443.					6,580.	
		NATIONWIDE HLTH - 350 SHS					07/31/1992	11/11/2009
11,529.		5,326.					6,203.	
		MACERICH CO - 300 SHS					02/25/2004	12/04/2009
9,193.		14,607.					-5,414.	
		MACERICH CO - 8 SHS					06/23/2009	12/04/2009
245.		160.					85.	
		MACERICH CO - 5 SHS					09/22/2009	12/04/2009
153.		143.					10.	
		MACERICH CO - 5 SHS					12/23/2009	12/24/2009
143.		151.					-8.	
		ENBRIDGE ENERGY PTNRS - 100 SH					05/21/2003	12/14/2009
5,086.		2,228.					2,858.	
		ENBRIDGE ENERGY PTNRS - 500 SH					10/03/2003	12/14/2009
25,432.		11,137.					14,295.	
		VODAPHONE GROP - 500 SHS					09/30/2008	01/06/2010
11,469.		10,980.					489.	
		PTP K-1 ACTIVITY PROPERTY TYPE: SECURITIES				P	VAR	03/31/2010
43.							43.	
TOTAL GAIN(LOSS)							17,317.	

S.T.A.R. FOUDATION, INC.
GRANTS & DONATIONS
FOR THE YEAR ENDED 3/31/2010
EIN: 13-6161266

CHARITABLE ORGANIZATION	AMOUNT
ACCION INTERNATIONAL	250
AHRC NYC FDN.	150
AMER. COM. FOR THE WEIZMANN INST. OF SCIENCE	250
AMERICAN FARMLAND TRUST	250
AMERICAN FDN FOR THE BLIND	250
AMERICAN FRIENDS OF MAGEN DAVID ADOM	300
AMERICAN FRIENDS SERVICE COMMITTEE	500
AMERICAN FRIENDS OF YAD ELIEZER	250
AMERICAN INSTITUE OF PHILANTHROPY	50
AMERICAN JEWISH CONGRESS	100
AMERICAN JEWISH WORLD SERVICE	750
AMERICAN RED CROSS	500
AMERICAN SOC. FOR YAD VASHEM	250
ANTI-DEFAMATION LEAGUE	1,000
BISHOP MCGUINESS CATHOLIC HIGH SCHOOL	500
CAMERA	100
CARE	500
CEDARS HOME FOR CHILDREN FDN.	750
COMMUNITY FDN. OF DAVIE CTY	1,500
CONSERVATION INTERNATIONAL FDN.	1,000
COVENANT HOUSE	200
CRISIS CONTROL MINISTRY	100
DAVIE COUNTY UNITED WAY	400
DIAN FOSSEY GORILLA FUND INTL	100
DOCTORS WITHOUT BORDERS	1,000
DUKE EYE CENTER	1,000
EARTH JUSTICE	500
ENVIRONMENTAL DEFENSE FUND	500
FAST BREAK SUCCESS TO YOUTH FDN , INC.	250
FINCA INTERNATIONAL	250
FORSYTH MEDICAL CENTER FDN.	250
FRIENDS OF THE EARTH	150
GREENPEACE FUND, INC	300
GUIDE DOG FDN FOR THE BLIND	200
HELLEN KELLER INTERNATIONAL	1,000
HOSPICE & PALLIATIVE CARE CENTER	1,000
INSTITUTE OF NOETIC SCIENCES	125
INTERNATIONAL EYE FDN	200
INT'L RESCUE COMMITTEE	1,000
JEWISH INSTITUTE FOR THE BLIND	250
KB REYNOLDS HOSPICE HOME	1,000
LIGHTHOUSE INTERNATIONAL	1,000
MEREDITH COLLEGE	1,000
NATIONAL CAMPS FOR BLIND CHILDREN	350
NATIONAL FEDERATION OF THE BLIND	400
NEW ENGLAND SALEM CHILDREN'S TRUST	100

NEW ISRAEL FUND	1,000
NORRIS COTTON CANCER CENTER	1,500
NY INST. FOR SPECIAL EDUCATION	1,150
OXFAM AMERICA	750
PERKINS SCHOOL FOR THE BLIND	1,000
PROJECT HOPE	500
RAINFOREST ACTION NETWORK	250
RON OGI	1,000
SAVE THE CHILDREN	500
SECOND HARVEST FOOD BANK OF NW NC	250
SIERRA CLUB FOUNDATION	1,000
SOS CHILDRENS VILLAGES	375
TECHNOSERVE	250
THE NATURE CONSERVANCY	750
THE SALVATION ARMY	1,000
THE TRUST FOR PUBLIC LAND	1,000
UNC TV	250
UNICEF	1,000
WINSTON-SALEM RESCUE MISSION	500
WORLD JEWISH CONGRESS FDN.	4,000
TOTAL	39,850