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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 12/01, **2009, and ending** 11/30, **2010**

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.	ARNOLD A. SCHWARTZ FOUNDATION C/O S. KUNZMAN 15 MOUNTAIN BLVD WARREN, NJ 07059	A Employer identification number 22-6034152 B Telephone number (see the instructions) 908-757-7800 C If exemption application is pending, check here <input type="checkbox"/> 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 4,109,937.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))				
1 Contributions, gifts, grants, etc. received (att sch)				
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	17,499.	17,499.	17,499.	
4 Dividends and interest from securities	74,475.	74,475.	74,475.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	155,002.			
b Gross sales price for all assets on line 6a	2,110,011.			
7 Capital gain net income (from Part IV, line 2)		155,002.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	246,976.	246,976.	91,974.	
13 Compensation of officers, directors, trustees, etc	11,200.	7,840.		3,360.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See St 1	16,568.	8,284.		8,284.
b Accounting fees (attach sch) See St 2	4,500.	2,250.		2,250.
c Other prof fees (attach sch) See St 3	39,632.	38,782.		850.
17 Interest				
18 Taxes (attach schedule)(see instr) See Stm 4	1,259.	1,259.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Statement 5	1,313.	689.		624.
24 Total operating and administrative expenses. Add lines 13 through 23	74,472.	59,104.		15,368.
25 Contributions, gifts, grants paid Part XV	220,000.			220,000.
26 Total expenses and disbursements. Add lines 24 and 25	294,472.	59,104.	0.	235,368.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-47,496.			
b Net investment income (if negative, enter -0-)		187,872.		
c Adjusted net income (if negative, enter -0-)			91,974.	

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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
A S S E T S	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	98,257.	73,968.	68,645.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)	236,630.	313,375.	323,796.
	b Investments – corporate stock (attach schedule)	3,445,047.	3,424,778.	3,513,763.
	c Investments – corporate bonds (attach schedule)	273,245.	193,562.	203,733.
	11 Investments – land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe _____)				
16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	4,053,179.	4,005,683.	4,109,937.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe _____)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
N E T A S S E T S / F U N D A S S E T S / F U N D B A L A N C E S	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	4,053,179.	4,005,683.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	4,053,179.	4,005,683.	
31 Total liabilities and net assets/fund balances (see the instructions)	4,053,179.	4,005,683.		

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	4,053,179.
2 Enter amount from Part I, line 27a	2	-47,496.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	4,005,683.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	4,005,683.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a VARIOUS SEE ATTACHED MANAGED BERNSTEIN SUMMARY	P	Various	Various
b VARIOUS SEE ATTACHED MANAGED PNC ACCOUNT SUMMARY	P	Various	Various
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 1,314,431.		1,234,223.	80,208.
b 795,580.		720,786.	74,794.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			80,208.
b			74,794.
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	155,002.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) [If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]	3	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 the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	240,092.	3,751,843.	0.063993
2007	282,635.	4,526,585.	0.062439
2006	292,053.	5,593,308.	0.052215
2005	291,648.	5,360,444.	0.054407
2004	223,811.	5,131,495.	0.043615
2 Total of line 1, column (d)			0.276669
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			0.055334
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4,114,813.
5 Multiply line 4 by line 3			227,689.
6 Enter 1% of net investment income (1% of Part I, line 27b)			1,879.
7 Add lines 5 and 6			229,568.
8 Enter qualifying distributions from Part XII, line 4			235,368.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,879.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3 Add lines 1 and 2	3	1,879.
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	1,879.
6 Credits/Payments		
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	7,052.
b Exempt foreign organizations – tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	7,052.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,173.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	5,173. Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) N/A		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X	
Telephone no ▶ <u>N/A</u> Located at ▶ <u>DIFRANCESCO, KUNZMAN ET AL</u> Telephone no ▶ <u>908-757-7800</u> Located at ▶ <u>15 MOUNTAIN BLVD, WARREN, NJ</u> ZIP + 4 ▶ <u>07060</u>				
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	N/A	▶	<input type="checkbox"/> N/A
			▶ 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
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

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

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

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

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

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

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No

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) N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If 'Yes' to 6b, file Form 8870.

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

	5b	N/A
	6b	X
	7b	N/A

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

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 6		11,200.	0.	0.

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

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	

2	

3	

4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	

2	

All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	4,094,024.
b Average of monthly cash balances	1b	83,451.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	4,177,475.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	4,177,475.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	62,662.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,114,813.
6 Minimum investment return. Enter 5% of line 5	6	205,741.

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

1 Minimum investment return from Part X, line 6		1	205,741.
2a Tax on investment income for 2009 from Part VI, line 5	2a	1,879.	
b Income tax for 2009 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	1,879.	
3 Distributable amount before adjustments Subtract line 2c from line 1	3	203,862.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	203,862.	
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	203,862.	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc — total from Part I, column (d), line 26	1a	235,368.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	235,368.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,879.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	233,489.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				203,862.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			59,135.	
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. ▶ \$ 235,368.				
a Applied to 2008, but not more than line 2a			59,135.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				176,233.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a Taxable amount - see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				27,629.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see 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				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

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

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

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

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
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 organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

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 ATTACHED LIST			CHARITABLE PURPOSE	220,000.
Total			▶ 3a	220,000.
b Approved for future payment				
Total			▶ 3b	

ARNOLD A. SCHWARTZ FOUNDATION

22-6034152

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Total	\$ 16,568.	\$ 8,284.	\$ 0.	\$ 8,284.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Total	\$ 4,500.	\$ 2,250.	\$ 0.	\$ 2,250.

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Total	\$ 39,632.	\$ 38,782.	\$ 0.	\$ 850.

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Total	\$ 1,259.	\$ 1,259.	\$ 0.	\$ 0.

ARNOLD A. SCHWARTZ FOUNDATION

22-6034152

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
BANK CHARGES	\$ 65.	\$ 65.		
INSURANCE	547.	273.		\$ 274.
OFFICE	701.	351.		350.
Total	<u>\$ 1,313.</u>	<u>\$ 689.</u>	<u>\$ 0.</u>	<u>\$ 624.</u>

Statement 6
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
EDWIN A KUNZMAN 28 GLENS DRIVE WEST BOYTON BEACH, FL 33436	President 0	\$ 1,600.	\$ 0.	\$ 0.
LOUIS HARDING 1570 SOUTH WASHINGTON AVE PISCATAWAY, NJ 08854	Secretary 0	1,600.	0.	0.
STEVEN KUNZMAN 64 BIG SPRING ROAD CALIFON, NJ 07830	Vice President 0	1,600.	0.	0.
KENNETH TURNBULL 200 WASHINGTON ROCK ROAD WATCHUNG, NJ 07060	Treasurer 0	1,600.	0.	0.
VICTOR DILEO 1315 STELTON ROAD PISCATAWAY, NJ 08854	Trustee 0	1,600.	0.	0.
DAVID LACKLAND 121 STANIE BREA DRIVE WATCHUNG, NJ 07060	Trustee 0	1,600.	0.	0.
ROBERT SHAPIRO M.D. 57 POCOMO RD PO BOX 2329 NANTUCKET, MA 02584	Trustee 0	1,600.	0.	0.
	Total	<u>\$ 11,200.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Arnold Schwartz Foundation
 Securities Sold
 12/1/09 - 11/30/10
 Bernstein Global Wealth Management
 Acct# 888-01774

	<u>date</u> <u>sold</u>	<u>shs</u>	<u>sales</u> <u>price</u>	<u>Cost</u>	<u>Gain</u> <u>(Loss)</u>
Allstate	12/1/2009	60	1,711 77	1,371 19	340 58
Viacom	12/1/2009	100	2,996 94	1,713 56	1,283 38
Viacom	12/1/2009	100	2,996 94	1,813 72	1,183 22
Regions Fincl	12/2/2009	350	2,039 00	1,400 00	639 00
Chevron	12/8/2009	20	1,547.63	1,355 07	192 56
Caterpillar	12/9/2009	10	561 59	314 21	247 38
Caterpillar	12/9/2009	30	1,684 75	1,019 80	664 95
Ace	12/11/2009	35	1,751 41	1,393 22	358 19
Black & Decker	12/11/2009	75	4,650 64	3,729 49	921 15
Corning	12/11/2009	300	5,559 78	2,713 98	2,845 80
Ace	12/14/2009	15	752 50	597 09	155 41
Caterpillar	12/14/2009	15	872 31	509 90	362.41
Caterpillar	12/14/2009	45	2,616 94	1,926 27	690 67
Procter & Gamble	12/15/2009	55	3,420 18	2,768 49	651 69
Time Warner	12/15/2009	11	333 34	291 65	41 69
Time Warner	12/15/2009	119	3,606 17	4,397 75	(791 58)
AOL	12/16/2009 fraction		4 65	-	4 65
Lowe's	12/18/2009	260	6,132 72	5,180.40	952 32
Metlife	12/21/2009	100	3,539 19	2,834 57	704 62
Acelormittal	12/23/2009	80	3,595 15	2,728 28	866 87
Cooper	12/31/2009	83	3,550.91	2,078 05	1,472 86
Calendar year 2010			1,291,758 78	1,221,671 20	70,087 58
Motorola	12/6/2010	125	(1,027 60)	(799 66)	(227 94)
Motorola	12/6/2010	300	(2,466 24)	(1,982 70)	(483 54)
Illinois Tool	12/8/2010	50	(2,527 12)	(2,307 65)	(219 47)
Centurylink	12/10/2010	40	(1,769 60)	(1,587 74)	(181 86)
Comcast	12/10/2010	80	(1,700 07)	(1,502 35)	(197.72)
CF Industries	12/10/2010	20	(2,454 33)	(1,723 16)	(731 17)
Fifth Third	12/10/2010	125	(1,778 89)	(1,663.11)	(115 78)
Covidien	12/14/2010	45	(2,028 93)	(2,312.41)	283 48
Covidien	12/14/2010	5	(225 44)	(247 52)	22 08
Hewlett Packard	12/14/2010	50	(2,081 11)	(2,641 25)	560 14
Covidien	12/21/2010	40	(1,826 65)	(1,980 17)	153 52
Hess	12/28/2010	55	(4,137 09)	(2,883 23)	(1,253 86)
Pepsico	12/30/2010	20	(1,304 36)	(1,332 24)	27 88
Cablevision	12/31/2010	175	(5,925 31)	(4,621 84)	(1,303 47)
			<u>1,314,430 55</u>	<u>1,234,222 86</u>	<u>80,207 69</u>

Arnold Schwartz Foundation
 Securities Sold
 12/1/09 - 11/30/10
 PNC Institutional Investments Managed Account
 Acct # 21-44-501-0020129

	<u>date</u> <u>sold</u>	<u>shs</u>	<u>sales</u> <u>price</u>	<u>Cost</u>	<u>Gain</u> <u>(Loss)</u>
Aecom Tech	12/1/2009	144	3,633.62	4,557.93	(924.31)
Aecom Tech	12/2/2009	82	2,042.31	2,595.49	(553.18)
Apple	12/17/2009	31	5,966.17	2,660.25	3,305.92
FPL Group	12/1/2009	140	7,391.19	7,872.44	(481.25)
ITT Corp	12/17/2009	177	9,089.44	11,420.87	(2,331.43)
John Deere	12/15/2009	770.99	770.99	770.93	0.06
J&J	12/1/2009	158	10,018.40	1,863.71	8,154.69
Lubrizol	12/17/2009	52	3,826.62	3,120.88	705.74
Lubrizol	12/18/2009	94	6,748.06	5,641.58	1,106.48
Owens Ill	12/3/2009	261	8,072.55	6,871.06	1,201.49
Calendar year 2010			784,300.23	715,061.50	69,238.73
AT&T	12/7/2010	15	(427.95)	(457.97)	30.02
CISCO	12/7/2010	15	(290.24)	(239.47)	(50.77)
Citigroup	12/7/2010	30	(137.70)	(127.64)	(10.06)
EMC	12/7/2010	15	(328.04)	(256.00)	(72.04)
Emerson	12/7/2010	195	(11,079.58)	(9,363.43)	(1,716.15)
General Electric	12/7/2010	15	(255.15)	(254.15)	(1.00)
Intel	12/7/2010	15	(323.99)	(154.50)	(169.49)
JP Morgan Chase	12/7/2010	25	(589.04)	(550.79)	(38.25)
John Deere	12/15/2010	460	(460.07)	(460.04)	(0.03)
Limited Brands	12/7/2010	15	(471.74)	(375.02)	(96.72)
Mattel	12/7/2010	15	(384.14)	(324.80)	(59.34)
Microsoft	12/7/2010	15	(420.74)	(331.81)	(88.93)
Oracle	12/7/2010	15	(435.74)	(207.50)	(228.24)
Pfizer	12/7/2010	15	(251.40)	(315.72)	64.32
3M	12/7/2010	178	(14,996.64)	(12,616.43)	(2,380.21)
Toyota	12/15/2010	15000	(15,000.00)	(15,202.35)	202.35
Wells fargo	12/7/2010	15	(427.19)	(412.81)	(14.38)
			<u>795,580.23</u>	<u>720,786.21</u>	<u>74,794.02</u>

ARNOLD A. SCHWARTZ FOUNDATION
Transaction Detail By Account
December 2009 through November 2010

Name	Address	Donee Status	Paid Amount
ALZHEIMER'S ASSOC OF GREATER NJ	400 Morris Ave, Denville, NJ 07834	Nonprofit	3,500 00
ARNOLD SCHWARTZ MEMORIAL LIBRARY	100 New Market Rd, Dunellen, NJ 08812	Nonprofit	10,000 00
autism escapes	16 Mount Bethel Rd, Warren, NJ 07059	Nonprofit	4,000 00
BLAIR BEUHAHER FRIENDSHIP FOUNDATION	20 South St, Morristown, NJ 07960	Nonprofit	2,000 00
BONNIE BRAE	3415 Valley Rd, Liberty Corner, NJ 07938	Nonprofit	3,000 00
CENTER FOR GREAT EXPECTATIONS	1 Eastern Ave, Somerville, NJ 08876	Nonprofit	7,500 00
center for hope	1900 Raritan Rd, Scotch Plains, NJ 07076	Nonprofit	3,000 00
CHILDREN'S SPECIALIZED HOSPITAL	150 New Providence Rd, Mountainside, NJ 07092	Nonprofit	5,000 00
COMMUNITY FOR HOPE	199 Pomeroy Road • Parsippany, NJ 07054	Nonprofit	3,000 00
CONTACT WE CARE	PO Box 2376, Westfield, NJ 07091	Nonprofit	3,000 00
COOPERATIVE HOUSING CONCERN	62 East High St, Somerville, NJ 08876	Nonprofit	5,000 00
DEBORAH HOSPITAL FOUNDATION	212 Trenton Rd, Browns Mills, NJ 08015	Nonprofit	5,000 00
EMBRACE KIDS FOUNDATION	121 Somerset St, New Brunswick, NJ 08901	Nonprofit	10,000 00
FANWOOD RESCUE SQUAD	123 Watson Ave, Fanwood, NJ 07023	Nonprofit	2,000 00
FISH HOSPITALITY PROGRAM	PO Box 170, Dunellen, NJ 08812	Nonprofit	8,500 00
FISH INC	PO Box 8565 Piscataway NJ 08855	Nonprofit	8,500 00
HABITAT FOR HUMANITY GREATER PLAINFIELD	2 Randolph Rd Plainfield NJ 07060	Nonprofit	3,000 00
homefirst	905 Watchung Ave, Plainfield, NJ 07061	Nonprofit	3,000 00
HOME SHARING, INC	120 FINDERNE AVE, BRIDGEWATER, NJ 08807	Nonprofit	2,500 00
JEWISH FAMILY SERVICES OF SOMERSET	150A High St, Somerville, NJ 08876	Nonprofit	1,000 00
JEWISH FAMILY SERVICE AGENCY OF CENTRAL JE	655 Westfield Ave, Elizabeth, NJ 07208	Nonprofit	1,000 00
JFK MEDICAL FOUNDATION	65 James St, Edison, NJ 08818	Nonprofit	10,000 00
KINGS DAUGHTERS DAY SCHOOL	502 West Front St , Plainfield, NJ 07060	Nonprofit	1,000 00
MCAULEY SCHOOL	1633 Hgwy 22, Watchung, NJ 07069	Nonprofit	10,000 00
Kiddie Keep Well Camp	35 Roosevelt Dr, Edison, NJ 08837	Nonprofit	5,000 00
midland school	PO Box 5026, North Branch, NJ 08876	Nonprofit	5,000 00
MUHLENBERG FOUNDATION	Park Ave & Randolph Rd, Plainfield NJ 07060	Nonprofit	5,000 00
NORTH PLAINFIELD RESCUE SQUAD	334 somerset St, No Plainfield, NJ 07060	Nonprofit	2,000 00
OCCUPATIONAL CENTER	301 Cox St, Roselle, NJ 07203	Nonprofit	2,000 00
OVERLOOK HOSPITAL FOUNDATION	36 Upper Overlook, Summit NJ 07902	Nonprofit	5,000 00
PLAINFIELD SYMPHONY	PO Box 5093 Plainfield, NJ 07060	Nonprofit	1,000 00
PLAINFIELD YMCA	Watchung Ave Plainfield NJ 07060	Nonprofit	5,000 00
ROBERT WOOD UNIVERSITY HOSPITAL	1 Robert Wood Johnson Pl New Brunswick NJ 08901	Nonprofit	3,000 00
safe in hunterdon	47 E Main St, Flemington, NJ 08822	Nonprofit	3,000 00
SAGE ELDERCARE	290 Broad St, Summit, NJ 07901	Nonprofit	5,000 00
saint bamabas health care	95 Old Short Hills Rd, W Orange, NJ 07052	Nonprofit	6,000 00
SCHOOL FOR CHILDREN WITH HIDDEN	Lakewood, NJ 08701	Nonprofit	2,500 00
SEEING EYE	PO Box 375, Morristown, NJ 07963	Nonprofit	1,000 00
Somerset Medical Center Foundation	110 Rehill Ave, Somerville, NJ 08876	Nonprofit	10,000 00
SOMERSET HOME FOR TEMP DISPLACED	49 Brahma Ave Bridgewater NJ 08807	Nonprofit	2,000 00
SPINA BIFIDA ASSN	84 Park Ave, Flemington, NJ 08822	Nonprofit	3,000 00
St Peters Foundation	254 Easton Ave, New Brunswick, NJ 08903	Nonprofit	5,000 00
STAR-FISH OF PLAINFIELD	631 E Front St , Plainfield, NJ 07062	Nonprofit	5,000 00
SUMMIT SPEACH SCHOOL	705 Central ave, New Providence, NJ 07974	Nonprofit	5,000 00
SWIM INC	120 Findeme Ave #109 Bridgewater NJ 08807	Nonprofit	1,000 00
TRINITAS HEALTH FOUNDATION	225 Williams St Elizabeth NJ 07207	Nonprofit	5,000 00
trpple c housing	316 Livingston Ave, New Brunswick, NJ 08901	Nonprofit	2,000 00
UNITED FAMILY AND CHILDRENS SOCIETY	305 West 7th St , Plainfield, NJ 07060	Nonprofit	5,000 00
WARDLAW HARTRIDGE SCHOOL	1295 Inman Ave, Edison, NJ 08820	Nonprofit	10,000 00
WATCHUNG RESCUE SQUAD	Stirling Rd, Watchung, NJ 07060	Nonprofit	2,000 00
			<u>220,000 00</u>