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

2010

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 2010, or tax year beginning _____, **2010, and ending** _____

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

Festoon Foundation Inc
P.O. Box 544
Colts Neck, NJ 07722

A Employer identification number
13-6266382
B Telephone number (see the instructions)
732-866-4493
C If exemption application is pending, check here
D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test, check here and attach computation
E If private foundation status was terminated under section 507(b)(1)(A), check here
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 1,039,798.
J Accounting method: Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis.)

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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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	14.	14.	14.	
4 Dividends and interest from securities	26,969.	26,969.	26,969.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-410.			
b Gross sales price for all assets on line 6a	0			
7 Capital gain net income (from Part IV, line 2)		0.		
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	26,573.	26,983.	26,983.	

13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) See St 1	6,300.	6,300.	6,300.	
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instr) See Stm 2	218.	218.	218.	
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Statement 3	3,690.	3,690.	3,690.	
24 Total operating and administrative expenses. Add lines 13 through 23	10,208.	10,208.	10,208.	
25 Contributions, gifts, grants paid Stmt 4	48,000.			48,000.
26 Total expenses and disbursements. Add lines 24 and 25	58,208.	10,208.	10,208.	48,000.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-31,635.			
b Net investment income (if negative, enter -0-)		16,775.		
c Adjusted net income (if negative, enter -0-)			16,775.	

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Part II

Balance Sheets

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

	Beginning of year	End of year	
	(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS			
1 Cash – non-interest-bearing	12,286.	22,777.	22,777.
2 Savings and temporary cash investments	85,138.	43,362.	43,362.
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)			
b Investments – corporate stock (attach schedule)	593,165.	592,755.	973,659.
c Investments – corporate bonds (attach schedule)			
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)	690,589.	658,894.	1,039,798.
LIABILITIES			
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.	
FUND ASSETS			
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
24 Unrestricted			
25 Temporarily restricted			
26 Permanently restricted			
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
27 Capital stock, trust principal, or current funds	383,777.	383,777.	
28 Paid-in or capital surplus, or land, building, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	306,812.	275,117.	
30 Total net assets or fund balances (see the instructions)	690,589.	658,894.	
31 Total liabilities and net assets/fund balances (see the instructions)	690,589.	658,894.	

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	690,589.
2 Enter amount from Part I, line 27a	2	-31,635.
3 Other increases not included in line 2 (itemize) . . . ▶ See Statement 5	3	92.
4 Add lines 1, 2, and 3	4	659,046.
5 Decreases not included in line 2 (itemize) . . . ▶ See Statement 6	5	152.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30.	6	658,894.

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)
1a	76.6667 Citadel Broadcasting Corp	P	8/15/01	7/01/10
b	15.3333 Escrow receipt issued for non-transferra	P	7/31/03	12/31/10
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		352.	-352.
b		58.	-58.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (j) over column (k), if any	
a			-352.
b			-58.
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	-410.
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))
2009	56,848.	864,525.	0.065756
2008	61,831.	1,127,166.	0.054855
2007	70,419.	1,354,397.	0.051993
2006	37,200.	1,119,738.	0.033222
2005	35,500.	1,028,581.	0.034514

2	Total of line 1, column (d)	2	0.240340
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	0.048068
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	951,558.
5	Multiply line 4 by line 3	5	45,739.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	168.
7	Add lines 5 and 6	7	45,907.
8	Enter qualifying distributions from Part XII, line 4	8	48,000.

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)

Table with 11 rows for excise tax calculation. Includes fields for exempt foundations, tax under section 511, add lines 1 and 2, subtitle A tax, tax based on investment income, credits/payments (6a-6d), total credits, penalty, tax due, and overpayment. Total tax due is 168.

Part VIIA Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, Yes, and No. Questions cover political activities, unrelated business income, and substantial contributors. Includes sub-questions 1a-1c, 2, 3, 4a-4b, 5, 6, 7, 8a, 8b, 9, and 10.

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)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of Festoon Foundation, Inc. Telephone no 732-866-4493
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?

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.

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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)?
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 2010?
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?
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?
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?
b If 'Yes,' did it have excess business holdings in 2010 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?
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2010?

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)?
 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. 6b X

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

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
Justine Nathan P.O. Box 544 Colts Neck, NJ 07722	President 0	0.	0.	0.
Peter Nathan P.O. Box 544 Colts Neck, NJ 07722	Director 0	0.	0.	0.
Wendy Shrigley P.O. Box 544 Colts Neck, NJ 07722	Director 0	0.	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.

BAA

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	882,306.
b Average of monthly cash balances	1b	83,743.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	966,049.
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	966,049.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	14,491.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	951,558.
6 Minimum investment return. Enter 5% of line 5	6	47,578.

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	N/A	1	
2a Tax on investment income for 2010 from Part VI, line 5.	2a		
b Income tax for 2010. (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c		
3 Distributable amount before adjustments. Subtract line 2c from line 1	3		
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5		
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		

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	48,000.
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	48,000.
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	168.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	47,832.

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)

N/A

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7..				
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years: 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ _____				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (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				
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 instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XIV Private Operating Foundations (See instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	16,775.	15,244.	16,937.	18,060.	67,016.
b 85% of line 2a	14,259.	12,957.	14,396.	15,351.	56,963.
c Qualifying distributions from Part XII, line 4 for each year listed	48,000.	57,000.	62,000.	70,600.	237,600.
d Amounts included in line 2c not used directly for active conduct of exempt activities					0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.	48,000.	57,000.	62,000.	70,600.	237,600.
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	31,718.	28,817.	37,572.	45,147.	143,254.
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

See Statement 7

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

See Statement for Line 2a

c Any submission deadlines:

See Statement for Line 2a

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

See Statement for Line 2a

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<p><i>a Paid during the year</i></p> <p><i>See Attached</i></p>				
Total				▶ 3a
<p><i>b Approved for future payment</i></p>				
Total				▶ 3b

FESTOON FOUNDATION INC

Account number 39A-07359-13 192

PORFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/10, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold. **Please Note:** unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
43,362.35	WESTERN ASSET GOVERNMENT MONEY MARKET FUND CLASS A	\$ 43,362.35	\$ 0.00	.04%	\$ 17.34
	Total money fund	\$ 43,362.35	\$ 0.00	.04%	\$ 17.34

Common stocks & options

Quantity	Description	Symbol	Date acquired	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	AT&T INC	T	01/01/84	\$ 6,183.64	\$ 29.38	\$ 29,380.00	\$ 23,196.36# LT		
1,000			01/01/84	4,189.04	29.38	29,380.00	25,190.96# LT		
2,000				10,372.68	5.186	58,760.00	48,387.32	5.854	3,440.00
1,500	AMERICAN EXPRESS CO	AXP	08/03/94	11,981.91	42.92	64,380.00	52,398.09# LT	1.677	1,080.00
500	AUTOMATIC DATA PROCESSING INC.	ADP	03/18/99	18,780.47	46.28	23,140.00	4,359.53# LT		
200			08/15/01	8,915.57	46.28	9,256.00	340.43 LT		
700				27,696.04	39.566	32,396.00	4,699.96	3.111	1,008.00



Ref: 00001096 00008399

FESTOON FOUNDATION INC Account number 39A-07359-13 192

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	MERCK & CO INC NEW	MRK	10/21/09	\$ 16,934.00	\$ 33.668	\$ 36.04	\$ 18,020.00	\$ 1,186.00 LT		
1,000				37,636.25	37.636		36,040.00	(1,596.25)	4.217	1,520.00
700	MICROSOFT CORP	MSFT	11/22/04	18,614.93	26.592	27.91	19,537.00	922.07 LT	2.283	448.00
1,477	PFIZER INC	PFE	10/16/09	26,074.99	17.66	17.51	25,862.27	(212.72) LT	4.568	1,181.60
546	PROCTER & GAMBLE CO	PG	01/01/86	459.20	.841	64.33	35,124.18	34,664.98# LT		
429			03/21/00	15,576.40	36.308	64.33	27,597.57	12,021.17# LT		
975				16,035.60	16.447		62,721.75	46,686.15	2.995	1,878.83
100	SIEMENS A G SPONS ADR	SI	04/25/07	11,776.00	117.76	124.25	12,425.00	649.00 LT		
100			10/21/09	10,030.75	100.307	124.25	12,425.00	2,394.25 LT		
200				21,806.75	109.034		24,850.00	3,043.25	2.185	543.20
200	SUNTECH POWER HLDGS LTD	STP	11/08/06	5,176.80	25.884	8.01	1,602.00	(3,574.80) LT		
300	ADR		12/14/06	9,396.00	31.32	8.01	2,403.00	(6,993.00) LT		
500				14,572.80	29.146		4,005.00	(10,567.80)		
200	UNION PACIFIC CORP	UNP	03/23/95	3,635.03	18.175	92.66	18,532.00	14,896.97# LT		
600			03/23/98	16,313.02	27.188	92.66	55,596.00	39,282.98# LT		
400			01/03/00	6,970.22	22.425	92.66	37,064.00	28,093.78# LT		
1,200				28,918.27	24.099		111,192.00	82,273.73	1.64	1,824.00
300	UNITED PARCEL SERVICE CL B	UPS	04/25/07	21,876.00	72.92	72.58	21,774.00	(102.00) LT	2.59	564.00
700	VODAFONE GROUP PLC SPONS	VOD	11/22/04	21,736.00	31.051	26.44	18,508.00	(3,228.00) LT		
175	ADR NEW		02/10/05	5,240.00	29.942	26.44	4,627.00	(613.00) LT		
875				26,976.00	30.83		23,135.00	(3,841.00)	4.931	1,141.00
Total common stocks and options				\$ 592,754.99	110		\$ 973,859.01	\$ 0.00 ST	2.87	\$ 27,968.43
Total portfolio value				\$ 636,117.34			\$ 1,017,021.36	\$ 0.00 ST	2.75	\$ 27,985.77
							\$ 380,804.02 LT			
							\$ 380,804.02 LT			

#Based on information supplied by your Financial Advisor.



Client FESTOON

Festoon Foundation Inc

13-6266382

3/15/11

11:52AM

Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting and Bookkeeping	\$ 6,300.	\$ 6,300.	\$ 6,300.	
Total	<u>\$ 6,300.</u>	<u>\$ 6,300.</u>	<u>\$ 6,300.</u>	<u>\$ 0.</u>

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign taxes on dividend	\$ 118.	\$ 118.	\$ 118.	
State Taxes	100.	100.	100.	
Total	<u>\$ 218.</u>	<u>\$ 218.</u>	<u>\$ 218.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Advertising	\$ 64.	\$ 64.	\$ 64.	
Investment fees	3,626.	3,626.	3,626.	
Total	<u>\$ 3,690.</u>	<u>\$ 3,690.</u>	<u>\$ 3,690.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity: Charitable
 Donee's Name: Greenpeace Fund
 Donee's Address: 702 H St NW Suite 300
 Washington, DC 20001
 Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: \$ 5,000.

Class of Activity: Charitable
 Donee's Name: Pet Helpers and Adoption Center
 Donee's Address: 1430 Folly Road
 Charleston, SC 29412
 Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit

Client FESTOON

Festoon Foundation Inc

13-6266382

3/15/11

11:52AM

Statement 4 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Amount Given:		\$ 3,000.
Class of Activity:	Charitable	
Donee's Name:	S.C. Coastal Conservation Leag	
Donee's Address:	PO Box 1765 Charleston, SC 29402	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		10,000.
Class of Activity:	Charitable	
Donee's Name:	Guide Dog for the Blind	
Donee's Address:	PO Box 3950 San Rafael, CA 94912	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,500.
Class of Activity:	Charitable	
Donee's Name:	Hope Rural School	
Donee's Address:	15929 SW 150th Street Indiantown, FL 34956	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Sea Island Habitat for Humanit	
Donee's Address:	3487 McGill Ct Johns Island, SC 29455	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Suncoast Seabird Sanctuary Inc	
Donee's Address:	18328 Gulf Blvd Indian Shores, FL 33787	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Doctors Without Borders	
Donee's Address:	333 Seventh Avenue 2nd Floor New York, NY 10001	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		6,000.
Class of Activity:	Charitable	
Donee's Name:	Low Country Open Land Trust	
Donee's Address:	485 East Bay Street Charleston, SC 29403	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	

Client FESTOON

Festoon Foundation Inc

13-6266382

3/15/11

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Statement 4 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Amount Given:		\$ 5,000.
Class of Activity:	Charitable	
Donee's Name:	Lowcountry Food Bank	
Donee's Address:	1635 Cosgrove Avenue Charleston, SC 09404	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Charleston Animal Society	
Donee's Address:	2455 Remount Road North Charleston, SC 29406	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		10,000.
Class of Activity:	Charitable	
Donee's Name:	ETV Endowment of SC	
Donee's Address:	401 E. Kennedy Street Spartanburg, SC 29302	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Charleston Area Therapeutic Riding	
Donee's Address:	PO Box 146 Johns Island, SC 29457	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Class of Activity:	Charitable	
Donee's Name:	Joan Dancy & Pals	
Donee's Address:	1 Riverview Plaza Red Bank, NJ 07701	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		500.
Class of Activity:	Charitable	
Donee's Name:	Planned Parenthood	
Donee's Address:	200 Rutledge Avenue Charleston, SC 29403	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		1,000.
Total \$		<u>48,000.</u>

Client FESTOON

Festoon Foundation Inc

13-6266382

3/15/11

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Statement 5
Form 990-PF, Part III, Line 3
Other Increases

Prior year adjusted	Total	\$ 92.
		<u>\$ 92.</u>

Statement 6
Form 990-PF, Part III, Line 5
Other Decreases

Federal Tax Payment	Total	\$ 152.
		<u>\$ 152.</u>

Statement 7
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:

Name: Justine J Nathan

Care Of:

Street Address: 315 Route 34, Suite 111

City, State, Zip Code: Colts Neck, NJ 07722

Telephone: 732-866-4493

Form and Content: None

Submission Deadlines: None

Restrictions on Awards: None

State of New Jersey

County of Monmouth

We swear under oath the following documents attached hereto:

990-PF

All of which comprise the 2010 year reported for periodic report for the FESTOON FOUNDATION have been examined by us and the best of our knowledge and belief the contents thereof are true and complete.

Justine J. Nathan

Justine J Nathan

Sworn to before me this *eighth* day of April 8, 2011

Janet L Willgerodt

JANET L WILLGERODT

Notary Public of New Jersey

My Commission Expires 05 / 03 / 2012

Affidavit of Publication

Publisher's Fee \$25.00 Affidavit \$35.00

State of New Jersey }
Monmouth/Ocean Counties } SS.

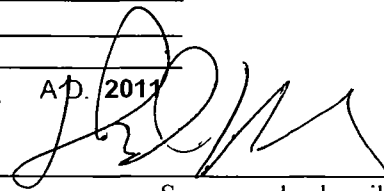
Personally appeared

Daryl Newman

Of the **Asbury Park Press**, a newspaper printed in Freehold, New Jersey and published in Neptune, in said County and State, and of general circulation in said county, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper 1 times, once in each issue as follows:

4/05/11

A.P. 2011



Sworn and subscribed before me, this
5 day of April, 2011

Kathleen A Gibson

Notary Public of New Jersey

OTHER HEADINGS

NOTICE OF
AVAILABILITY OF
ANNUAL RETURN
OF FESTOON
FOUNDATION, INC.
To Whom It May
Concern
TAKE NOTICE that
the Annual Return of
FESTOON FOUNDA-
TION, INC. For the
tax year ending De-
cember 31, 2010,
required by Section
6033 of the Internal
Revenue Code is
available for inspec-
tion At the principal
office
FESTOON
FOUNDATION, INC.
2-12 CORBETT WAY
EATONTOWN, NJ
07724
(732) 866-4493
during regular busi-
ness hours by any
citizen who requests
it within 180 days
after the publication
of this notice of its
availability
Requests to inspect
the said Annual Re-
turn should be made
To the undersigned
Principal Manager of
FESTOON FOUNDA-
TION, INC At its
principal office as
above stated
Dated April 1, 2011
Justine J Nathan
Principal Manager
OF FESTOON
FOUNDATION, INC
(\$25.00) 307935

Kathleen A. Gibson
Notary Public State of New Jersey
My Commission Expires Dec. 18, 2014