EXTENSION TO 11/15/11 ATTACHED

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

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation: GEM STAR FOUNDATION INC

A Employer identification number: 22 607 1177

Number and street (or P O box number if mail is not delivered to street address): 7 HOLDEN LANE

Room/suite:

B Telephone number (see page 10 of the instructions): 973-3775675

City or town, state, and ZIP code: MADISON NJ 07940

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

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

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	80 742	80 742	80742	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		587 971		
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	80,742	668713	80 742	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc.	38500	38500	38500	38500
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) ANNUAL	3495	3495	3495	3495
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) FED. EXCISE	11 260	11260	11 260	11 260
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) MISC	8651	8651	8651	8651
24	**Total operating and administrative expenses.** Add lines 13 through 23	61906	61906	61906	61906
25	Contributions, gifts, grants paid	137 200			137200
26	**Total expenses and disbursements.** Add lines 24 and 25	199106	61906	61 906	199106
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	(118364)			
b	**Net investment income** (if negative, enter -0-)		606807		
c	**Adjusted net income** (if negative, enter -0-)			18836	

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14 GM

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	113063	52158	82611
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1740164	2270966	2,055,565
	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 ► Receivable on sale of stock)	392702	—	—
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	2245929	2,323,124	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue on gain on sale	392412		
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1853517	2323124	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	2245929	2323124	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2245929	2323124	

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	1853517
2	Enter amount from Part I, line 27a	2	(118364)
3	Other increases not included in line 2 (itemize) ► Gain on sale of investments	3	587971
4	Add lines 1, 2, and 3	4	2323124
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	2323124

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				
b				
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	587,971
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. N/A

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))
2009			
2008			
2007			
2006			
2005			

2	**Total** of line 1, column (d)	2	
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	
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: __________ **(attach copy of letter if necessary—see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	12138
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	12138
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	12138
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 2084		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 6000		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	8084
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached NONE - going to pay this	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	4054
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		✓
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ______			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b		
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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

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

Website address ▶

14 The books are in care of ▶ TAXPAYER Telephone no. ▶ 973-377-5675

Located at ▶ 7 HOLDEN LANE MADISON NJ ZIP+4 ▶ 07940-2614

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 |

			Yes	No
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?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the 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.

			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 22 of the instructions)?	1b		
	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 2010?	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)*	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 2010?	4b		X

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

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	5b		
	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		
	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		

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
FRED H ROHN 7 HOLDEN LANE MADISON, NJ 07940	AS REQUIRED PRESIDENT		—	—
RICHARD W DAVIS 2028 LEXINGTON PARKWAY, NISKAYUNA, NY 12309	AS REQUIRED VICE PRES		—	—
JUNE ROHN 7 HOLDEN LANE, MADISON, NJ 07940	AS REQUIRED VICE PRES		—	—
KATHLEEN LE DAIN 3836 MC KINLEY ST. WASHINGTON DC 20015	AS REQUIRED TRUSTEE		—	—

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

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

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

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

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

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 THE FOUNDATION MAKES CASH CONTRIBUTIONS TO RECOGNIZED TAX-EXEMPT CHARITABLE ORGANIZATIONS BASED ON ANALYSIS AND REVIEW OF EACH ORGANIZATION'S ACTIVITIES. THE FOUNDATION RECEIVES A LARGE VOLUME	
2 OF REQUESTS FROM TAX EXEMPT ORGANIZATIONS AND REVIEWS THEIR REQUESTS INDIVIDUALLY. THE FOUNDATION DOES NOT CONDUCT ANY PROGRAMS OR ANY INCOME PRODUCING ACTIVITIES. THE FOUNDATION'S MANAGERS ARE	
3 NOT REIMBURSED FOR ANY INDIVIDUALLY INCURRED EXPENSES. A LIST OF 2010 CONTRIBUTIONS IS ATTACHED HERETO.	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,055,565
b	Average of monthly cash balances	1b	82611
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	2,138,176
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,138,176
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	32072
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,106,104
6	**Minimum investment return.** Enter 5% of line 5	6	105305

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	105305
2a	Tax on investment income for 2010 from Part VI, line 5	2a	12138		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	12138
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	117443
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	117443
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	117443

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	132200
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	
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	132200

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 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 See schedule				
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 page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the 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 page 27 of the instructions				
e	Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the 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 page 27 of the instructions)				
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the 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 page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(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 ▶ ☐ 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:

FRED H. ROHN 7 HOLDEN LANE MADISON NJ 07940 973-377-5675

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

NO PARTICULAR FORMAT - FULL DETAILS REQUIRED

c Any submission deadlines:

NONE

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SCHEDULE ATTACHED				
Total ▶ 3a				
b *Approved for future payment*				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities NONE

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

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

(See worksheet in line 13 instructions on page 29 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.)
	N/A

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		
	(2) Other assets	1a(2)		
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		
	(3) Rental of facilities, equipment, or other assets	1b(3)		
	(4) Reimbursement arrangements	1b(4)		
	(5) Loans or loan guarantees	1b(5)		
	(6) Performance of services or membership or fundraising solicitations	1b(6)		
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

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

Fred H. Rohn | 11/11/11 | PRESIDENT

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

National® Brand 45-603 Eye-Ease® 45-303 2 - Pack Made in USA

	Initials	Date
Prepared By		
Approved By		

GEM STAR FOUNDATION
CONTRIBUTIONS
CALENDAR 2010

	1	2	3
NEW JERSEY HISTORICAL SOCIETY, NEWARK, NJ		1000	
MORRIS MUSEUM, MORRISTOWN, NJ		42700	
COLGATE UNIVERSITY, HAMILTON, NY		50000	
LEHIGH UNIVERSITY, BETHLEHEM, PA		–	
MANNHEIMER FOUNDATION, HOMESTEAD, FL		20000	
LONGBOAT ISLAND CHAPEL, LONGBOAT KEY, FL		5000	
JOHN F. DONOHOE SCHOLARSHIP FUND		10000	
PARTNERS IN PHILANTHROPY, CHATHAM, NJ		3500	
FIRST REFORMED CHURCH, NISKAYUNA, NY		5000	
TOTAL - ALL UNRESTRICTED			
ALL TAX-EXEMPT		137200	
TRUSTEES COMPENSATION			
FRED H. ROHN		27500	
RICHARD DAVIS		5000	
JUNE B. ROHN		6000	
KATHLEEN LEDAIN		–	
TOTAL		38500	
INVESTMENTS			
	COST	12/31/10 FMV	
CORPORATE BONDS	50000	50751	
COMMON STOCKS, SCHEDULE	2144255	2597585	
COMMON STOCK - HUDSON CITY CORP 2564 SH	4000	26000	
COMMON STOCK - SPECIALIZED HAND TOOLS LLC	62000	62000	
COMMON STOCK - IRG CARBON	10710	8000	
TOTAL	2270965	2744336	

National® Brand 45-603 Eye-Ease® 45-303 2 - Pack Made in USA

	Initials	Date
Prepared By		
Approved By		

GEM STAR FOUNDATION

CALCULATION OF EXCESS DISTRIBUTION CARRYOVER

12/31/10

YEAR	REQUIRED CONTRIBUTIONS PER 990 PF	ACTUAL CONTRIBUTIONS	CARRYOVER
2005	25741	74330	48589
2006	23180	71800	48620
2007	26359	56236	29877
2008	31203	50500	19297
2009	96342	114300	17958
TOTAL - CARRIED OVER TO 2010	262825	367166	164341

SUMMARY

CARRYOVER AS ABOVE	164341
2010 EXCESS CONTRIBUTIONS	19757

Holdings

Active Assets Account 615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.
Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate
If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.
Gain/loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting.
From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	$225.38			
MS ACTIVE ASSETS MONEY TRUST	45,669.03	4.57	0.010	—

	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	1.7%	$45,894.41	$4.57 $0.00

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement
Money market funds seek to maintain a share price of $1 00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.
The money market funds reflected above include the balances in your automatic sweep feature, if any, and may include other money market funds that have been purchased in your account.

STOCKS

COMMON STOCKS

Morgan Stanley & Co Incorporated (Morgan Stanley), Citi Investment Research & Analysis (CIRA), and Standard & Poor's research ratings may be shown for certain securities All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports Morgan Stanley and CIRA research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other For ease of comparison, Morgan Stanley and Standard & Poor's research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell) Please refer to the end of this statement for a summary guide describing CIRA, Morgan Stanley and Standard & Poor's ratings Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AIRCASTLE LIMITED (AYR)	2,000.000	$20,795.73	$20,900.00	$104 27	$800 00	3 82
Share Price. $10.450; Rating: Citigroup. 1H, Next Dividend Payable 01/14/11						
ALTRIA GROUP INC (MO)	2,000.000	35,683 03	49,240.00	13,556.97	3,040.00	6 17
Share Price. $24.620; Rating Morgan Stanley: 2, Citigroup. 2M, S&P 1, Next Dividend Payable 01/10/11						

CONTINUED

MorganStanley SmithBarney

Holdings

Active Assets Account 615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ANNALY CAPITAL MNGMT INC (NLY)	3,000.000	53,872.04	**53,760.00**	(112.04)	7,680.00	14.28
Share Price: $17.920, Rating. Citigroup. 2S, S&P. 2, Next Dividend Payable 01/27/11						
AT&T INC (T)	4,000.000	107,965 00	**117,520.00**	9,555 00	6,880.00	5 85
Share Price. $29.380, Rating. Morgan Stanley. 1, Citigroup: 2M, S&P. 1, Next Dividend Payable 02/11						
BANCO SANTANDER S.A. (STD)	1,000.000	10,775 77	**10,650.00**	(125.77)	644.00	6.04
Share Price $10.650						
BROCADE COMMUN SYSTEMS INC (BRCD)	15,000.000	94,762.87	**79,350.00**	(15,412.87)	—	—
Share Price $5.290, Rating Morgan Stanley 2, Citigroup. 1S, S&P 2						
DELUXE CORPORATION (DLX)	3,000 000	47,026.14	**69,060.00**	22,033.86	3,000 00	4.34
Share Price. $23 020, Next Dividend Payable 03/11						
DONNELLEY R R & SONS CO (RRD)	2,000.000	35,386 61	**34,940.00**	(446 61)	2,080 00	5 95
Share Price. $17 470, Rating. S&P 2, Next Dividend Payable 03/11						
DPL INC (DPL)	1,000.000	16,585 46	**25,710.00**	9,124 54	1,210 00	4 70
Share Price· $25 710; Rating S&P: 1, Next Dividend Payable 03/11						
DUNCAN ENERGY PARTNERS (DEP)	1,000.000	18,071 81	**32,090.00**	14,018 19	1,810.00	5.64
Share Price: $32.090, Rating. Citigroup: 2H, Next Dividend Payable 02/11						
ENERGY TRANSFER PARTNERS L P (ETP)	1,000 000	46,419 31	**51,820.00**	5,400 69	3,575 00	6 89
Share Price. $51 820, Rating· Morgan Stanley 2, Citigroup: 2M, S&P. 1, Next Dividend Payable 02/11						
EXXON MOBIL CORP (XOM)	3,000.000	180,195.36	**219,360.00**	39,164.64	5,280.00	2.40
Share Price. $73.120, Rating. Morgan Stanley. 2, Citigroup 1M, S&P: 1, Next Dividend Payable 03/11						
FRONTIER COMMUNICATIONS CORP (FTR)	3,002.000	25,048 35	**29,209.46**	4,161.09	2,251.50	7.70
Share Price: $9.730, Rating· Morgan Stanley: 2, Citigroup. 2S, S&P: 2, Next Dividend Payable 03/11						
GENERAL ELECTRIC CO (GE)	10,000 000	172,568.38	**182,900.00**	10,331 62	5,600 00	3 06
Share Price. $18.290, Rating. Morgan Stanley: 1, Citigroup· 1M, S&P 1, Next Dividend Payable 01/25/11						
GLOBAL PARTNERS LP (GLP)	1,000.000	11,942 30	**27,400.00**	15,457.70	1,980.00	7.22
Share Price. $27 400, Next Dividend Payable 02/11						
INTEL CORP (INTC)	2,000.000	45,256.33	**42,060.00**	(3,196.33)	1,260.00	2.99
Share Price $21 030, Rating· Morgan Stanley. 1, Citigroup. 1M, S&P 1, Next Dividend Payable 03/11						
INTL BUSINESS MACHINES CORP (IBM)	1,000.000	109,660.61	**146,760.00**	37,099 39	2,600.00	1.77
Share Price. $146.760; Rating. Morgan Stanley. 2, Citigroup. 1M, S&P. 1; Next Dividend Payable 03/11						

CONTINUED

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Holdings

Active Assets Account 615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
JPMORGAN CHASE & CO (JPM)	4,000.000	163,924.29	**169,680.00**	5,755.71	800.00	0.47
Share Price: $42.420, Rating Morgan Stanley. 1, Citigroup: 1M, S&P. 1, Next Dividend Payable 01/11						
KMG CHEMICALS INC (KMGB) 17.10	2,000 000	32,754.81	**33,140.00**	385.19	160.00	0.48
Share Price $16.570, Next Dividend Payable 01/07/11						
MERCK & CO INC NEW COM (MRK)	2,000.000	58,860.37	**72,080.00**	13,219 63	3,040 00	4 21
Share Price $36.040; Rating. Morgan Stanley: 2, Citigroup. 1M, S&P. 1, Next Dividend Payable 01/07/11						
MICROSOFT CORP (MSFT)	8,000 000	220,745 37	**223,280.00**	2,534.63	5,120.00	2 29
Share Price $27.910; Rating: Morgan Stanley. 1, Citigroup. 1L, S&P 2; Next Dividend Payable 03/11						
MOSAIC COMPANY (THE) (MOS)	1,000 000	29,928 80	**76,360.00**	46,431.20	200.00	0 26
Share Price. $76 360; Rating Morgan Stanley· 1, Citigroup· 1H, Next Dividend Payable 02/11						
ONEOK PARTNERS LP (OKS)	500 000	25,148 24	**39,750.00**	14,601.76	2,260 00	5.68
Share Price $79.500, Rating. Morgan Stanley 2, Citigroup 2M, S&P. 2, Next Dividend Payable 02/11						
PFIZER INC (PFE)	7,000 000	116,739.05	**122,570.00**	5,830.95	5,600.00	4.56
Share Price. $17.510, Rating· Morgan Stanley: 1, Citigroup. 2H, S&P 1, Next Dividend Payable 03/11						
PITNEY BOWES INC (PBI)	3,000.000 24.43	72,911.10	**72,540.00**	(371.10)	4,380 00	6.03
Share Price. $24.180; Rating. S&P 2; Next Dividend Payable 03/11						
POTASH CP OF SASKATCHEWAN INC (POT)	500 000	29,839 68	**77,415.00**	47,575.32	—	—
Share Price $154.830, Rating· Morgan Stanley. 1, Citigroup 1H, S&P: 2, Next Dividend Payable 02/11						
PPL CORPORATION (PPL)	1,996 000	37,578 23	**52,534.72**	14,956.49	2,794.40	5.31
Share Price. $26.320; Rating Morgan Stanley· 1, Citigroup 2M, S&P· 2, Next Dividend Payable 01/03/11						
REYNOLDS AMERICAN INC (RAI)	2,000.000	41,437.55	**65,240.00**	23,802.45	3,920.00	6 00
Share Price $32 620, Rating: Morgan Stanley: 3, Citigroup 1M, S&P. 1, Next Dividend Payable 01/03/11						
SOUTHERN CO (SO)	1,000.000	19,512.54	**38,230.00**	18,717.46	1,820.00	4.76
Share Price. $38.230, Rating. Morgan Stanley. 2, Citigroup. 2L, S&P: 2, Next Dividend Payable 03/11						
STD REGISTER CO (SR)	5,000.000	16,352.50	**17,050.00**	697.50	1,000.00	5 86
Share Price $3 410; Next Dividend Payable 03/11 3.44						
SYSTEMAX INC (SYX)	2,000 000	24,648.29	**28,200.00**	3,551 71	—	—
Share Price $14.100 13.89						
TECO ENERGY (TE)	2,000.000	23,829.13	**35,600.00**	11,770 87	1,640 00	4.60
Share Price· $17.800; Rating Morgan Stanley: 2, S&P. 2, Next Dividend Payable 02/11						

CONTINUED

Holdings

Active Assets Account 615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
VALERO ENERGY CP DELA NEW (VLO)	2,000 000	39,676 23	46,240.00	6,563 77	400.00	0.86
Share Price $23.120, Rating. Morgan Stanley 2, Citigroup· 1H, S&P 2, Next Dividend Payable 03/11						
VERIZON COMMUNICATIONS (VZ)	5,008.000	117,959.71	179,186.24	61,226.53	9,765 60	5.44
Share Price $35 780, Rating. Morgan Stanley. 2, Citigroup 1M, S&P· 2; Next Dividend Payable 02/11						
WINDSTREAM CORP (WIN)	4,000 000	40,393.97	55,760.00	15,366.03	4,000.00	7 17
Share Price. $13 940, Rating. Morgan Stanley 2, Citigroup 2S, S&P 2, Next Dividend Payable 01/18/11						

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
STOCKS	96.4%	$2,144,254.96	$2,597,585.42	$453,330.44	$96,590.50 $0.00	3.72%

GOVERNMENT SECURITIES

FEDERAL AGENCIES

Security Description	Face Value	Orig. Total Cost / Adj Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
FED NATL MTG ASSN CUSIP 3135A1HG5	50,000.000	$50,000.00 $50,000.00	$50,577.50	$577 50	$2,500.00 $173 61	4 94
Unit Price $101.155, Coupon Rate 5 000%, Matures 06/06/23, Int. Semi-Annually Jun/Dec 06, Callable $100.00 on 06/06/11, Yield to Call 2.283%, Moody AAA S&P AAA; Issued 06/06/08						

	Percentage of Assets %	Orig. Total Cost / Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
GOVERNMENT SECURITIES		$50,000.00 $50,000.00	$50,577.50	$577.50	$2,500.00 $173.61	4.94%
TOTAL GOVERNMENT SECURITIES (incl.accr.int.)	1.9%		$50,751.11			

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	$2,194,254.96	$2,694,057.33	$453,907.94	$99,095.07 $173.61	3.68%
TOTAL VALUE (includes accrued interest)			$2,694,230.94			

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MorganStanley SmithBarney

Activity

Active Assets Account 615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)		Comments
BOEING CO	01/06/09	03/17/10	200.000	$13,564.82	$9,406.00	$4,158 82	A	
	08/04/09	03/17/10	300.000	20,347 22	13,555 86	6,791 36		
	10/26/09	03/17/10	500.000	33,912 04	25,296 93	8,615.11		
CATERPILLAR INC	12/08/08	04/09/10	700 000	45,424 93	30,030 43	15,394 50	A	
	12/08/08	04/09/10	300 000	19,467.83	12,877.00	6,590.83	A	
	03/30/09	04/09/10	300.000	19,467 83	8,478 97	10,988 86		
	08/20/09	04/09/10	700 000	45,424 93	32,218.52	13,206 41		
CONOCOPHILLIPS	08/10/09	10/05/10	1,000.000	57,971 36	44,952.91	13,018 45		
DEERE & CO	12/08/08	04/09/10	1,000.000	60,649.34	35,906.38	24,742.96	A	
DEVON ENERGY CORP NEW	12/15/09	11/11/10	300.000	21,414 26	20,325.12	1,089.14		
	04/09/10	11/11/10	200 000	14,276.17	13,478 83	797.34		
DIAGEO PLC SPON ADR NEW	01/26/09	03/23/10	200 000	13,142.56	10,595 15	2,547.41	A	
	10/26/09	03/23/10	300 000	19,713.83	19,177 46	536.37		
ELI LILLY & CO	12/08/08	03/17/10	500.000	17,915.30	17,505.57	409 73	A	
	08/03/09	03/17/10	500 000	17,915 30	17,751 78	163.52		
FRONTIER COMMUNICATIONS CORP	05/16/94	07/01/10		0 88	0.00	0 88		Cash in Lieu
HOLLY CORP COM PAR $0.01	06/08/09	03/23/10	500 000	13,964 88	10,481 53	3,483 35		
	07/23/09	03/23/10	500.000	13,964.88	10,650.03	3,314.85		
	08/03/09	03/23/10	1,000 000	27,929 75	22,333 33	5,596 42		
LOEWS CORPORATION	12/08/08	03/23/10	200 000	7,366 33	5,512 64	1,853 69	A	
	12/08/08	03/23/10	200.000	7,366 33	5,509.29	1,857 04	A	
	12/08/08	03/23/10	100.000	3,683 17	2,752.65	930.52	A	
	08/20/09	03/23/10	500 000	18,415 83	16,113.34	2,302.49		
MESABI TR CBI	10/26/09	04/16/10	1,000 000	20,726.79	10,956 60	9,770 19		
	11/16/09	04/16/10	1,000.000	20,726.79	11,208.08	9,518 71		
SEASPAN CORP	06/08/09	04/05/10	1,000.000	10,172.60	6,639.23	3,533.37		
	07/20/09	04/05/10	2,000.000	20,345 19	12,547 75	7,797.44		
	08/03/09	04/05/10	2,000.000	20,345.19	14,371.88	5,973.31		
	09/08/09	04/05/10	1,000.000	10,172 60	7,175 00	2,997 60		
	12/14/09	04/05/10	3,000 000	30,517 79	28,170.94	2,346.85		
	12/15/09	04/05/10	1,000 000	10,172 60	9,553.90	618 70		
	05/07/10	10/05/10	2,000 000	25,048 76	21,546 17	3,502.59		
	05/24/10	10/05/10	1,000 000	12,524 38	10,276.44	2,247.94		
SHAW GROUP INCORPORATED	08/04/09	03/23/10	1,000.000	35,005 12	31,198 09	3,807.03		
THERMO FISHER SCIENTIFIC INC	01/06/09	03/23/10	100 000	4,963.46	3,641.97	1,321.49	A	
	10/26/09	03/23/10	400 000	19,853 82	19,244.43	609 39		
TORCHMARK CORP	06/08/09	03/17/10	500 000	26,274 67	19,602.65	6,672.02		
	08/03/09	03/17/10	500 000	26,274 67	19,822 26	6,452.41		

Security Mark at Right

Activity

Active Assets Account
615-105832-347

GEM STAR FOUNDATION INC
7 HOLDEN LANE

	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)
Net Realized Gain/(Loss) This Period	$0.00	$0.00	$0.00
Net Realized Gain/(Loss) Year to Date	$806,424.20	$610,865.11	$195,559.09

Gain/loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting
From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year

A - You executed this transaction elsewhere and later transferred the security to your Morgan Stanley Smith Barney Account. Another financial institution has provided Morgan Stanley Smith Barney the transaction detail for this position

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