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: ARTHUR AND EDITH STERN FAMILY FOUNDATION

A Employer identification number: 95-4609409

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

B Telephone number (see page 10 of the instructions): (310) 278.3220

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

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 980,159.

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	106,184.			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	83.	83.		
	4	Dividends and interest from securities	40,142.	40,142.		
	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)		— 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 or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	146,409.	40,225.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	150.	150.		150.
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	353.	353.		353.
	19	Depreciation (attach schedule) and depletion	563.	563.		
	20	Occupancy				
	21	Travel, conferences, and meetings	13,016.	13,016.		13,016.
	22	Printing and publications				
	23	Other expenses (attach schedule)	717.	717.		717.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	14,799.	14,799.		14,236.
	25	Contributions, gifts, grants paid	28,635.			28,635.
	26	**Total expenses and disbursements.** Add lines 24 and 25	43,434.	14,799.		42,781.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	102,975.			
	b	**Net investment income** (if negative, enter -0-)		25,426.		
	c	**Adjusted net income** (if negative, enter -0-)				

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	66,376.	79,999.	79,999.
	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)	275,337.	378,117.	421,289.
	c	Investments—corporate bonds (attach schedule)	537,364.	526,954.	473,871.
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	879,077.	985,070.	980,159
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	879,077.	985,070.	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	879,077.	985,070.	

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	879,077.
2	Enter amount from Part I, line 27a	2	102,975.
3	Other increases not included in line 2 (itemize) ▶	3	9,550.
4	Add lines 1, 2, and 3	4	991,602.
5	Decreases not included in line 2 (itemize) ▶	5	6,532.
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	985,070.

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	DELPHI FINANCIAL GROUP, INC. 8% BONDS	P	5/27/03	7/12/10
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	20,000.		20,765.	(765.) LOSS
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				(765.) LOSS
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	(765.) LOSS
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	— 0 —

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col. (c))
2009	31,033.	638,596.	0.0486
2008	31,628.	670,823.	0.0471
2007	27,833.	722,221.	0.0385
2006	31,546.	581,752.	0.0542
2005	24,740.	498,241.	0.0497

2	**Total** of line 1, column (d)	2	0.2381
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	0.0476
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	833,262.
5	Multiply line 4 by line 3	5	39,663.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	416.
7	Add lines 5 and 6	7	40,079.
8	Enter qualifying distributions from Part XII, line 4	8	42,781.

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	254	26
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	-0	-
3	Add lines 1 and 2	3	254	26
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	-0	-
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	254	26
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a 317 | 82			
b	Exempt foreign organizations—tax withheld at source — 6b -0 | -			
c	Tax paid with application for extension of time to file (Form 8868) — 6c -0 | -			
d	Backup withholding erroneously withheld — 6d -0 | -			
7	Total credits and payments. Add lines 6a through 6d	7	317	82
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	-0	-
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	-0	-
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	63	56
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 63 | 56 **Refunded** ▶	11	-0	-

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	N/A	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ CALIFORNIA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 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		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	/	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶ ARTHUR. P. STERN @ GMAIL.COM

14 The books are in care of ▶ ARTHUR P. STERN Telephone no. ▶ 310. 278. 3220

Located at ▶ 606 NORTH OAKHURST DRIVE, BEVERLY HILLS, CA ZIP+4 ▶ 90210-3531

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

			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		✓
	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

			Yes	No
	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? ☐ 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	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		✓

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No

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

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b**

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

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

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2 NONE	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	768,484.
b	Average of monthly cash balances	1b	77,467.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	-0-
d	**Total** (add lines 1a, b, and c)	1d	845,951.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e —		
2	Acquisition indebtedness applicable to line 1 assets	2	-0-
3	Subtract line 2 from line 1d	3	845,951.
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	12,689.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	833,262.
6	**Minimum investment return.** Enter 5% of line 5	6	41,663.

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	41,663.
2a	Tax on investment income for 2010 from Part VI, line 5 . . . 2a 254.		
b	Income tax for 2010. (This does not include the tax from Part VI.) . . . 2b -0-		
c	Add lines 2a and 2b	2c	254.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	41,409.
4	Recoveries of amounts treated as qualifying distributions	4	-0-
5	Add lines 3 and 4	5	41,409.
6	Deduction from distributable amount (see page 25 of the instructions)	6	-0-
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	41,409.

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	42,781.
b	Program-related investments—total from Part IX-B	1b	-0-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-0-
b	Cash distribution test (attach the required schedule)	3b	-0-
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	42,781.
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	254.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	42,527.

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				41,409.
2	Undistributed income, if any, as of the end of 2010:				
a	Enter amount for 2009 only			24,640.	
b	Total for prior years: 20___,20___,20___		-0-		
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	-0-			
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 42,781.				
a	Applied to 2009, but not more than line 2a			24,640.	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		-0-		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)	-0-			
d	Applied to 2010 distributable amount				18,141.
e	Remaining amount distributed out of corpus	-0-			
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	-0-			-0-
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	-0-			
b	Prior years' undistributed income Subtract line 4b from line 2b		-0-		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		-0-		
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		-0-		
e	Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			-0-	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				23,268.
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	-0-			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	-0-			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	-0-			
10	Analysis of line 9:				
a	Excess from 2006 -0-				
b	Excess from 2007 -0-				
c	Excess from 2008 -0-				
d	Excess from 2009 -0-				
e	Excess from 2010 -0-				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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			(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					
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			N/A		
(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).)

SEE ATTACHED NOTES, PAGE 2, (J)

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:

SEE ATTACHED NOTES, PAGE 3, LINE 2a.

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

SEE ATTACHED NOTES, PAGE 3, LINE 2b.

c Any submission deadlines:

NONE

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE COMPLETE LISTING OF GRANTS AND CONTRIBUTIONS IN ATTACHED NOTES, PAGES 3 - 7				
Total ▶ 3a				
b *Approved for future payment*				
NONE				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	83.	
4 Dividends and interest from securities			14	40,142	
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)				40,225.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 40,225.

(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)
	ALL INCOME IS INVESTMENT INCOME
	NO BUSINESS ACTIVITIES WERE CONDUCTED.
	ALL INCOME (INTEREST, DIVIDENDS, ETC.)
	IS USED TO PROVIDE GRANTS FOR
	QUALIFIED INSTITUTIONS.

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

(ARTHUR P. STERN) 11/9/2011 SECRETARY/TREASURER

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

Printed on recycled paper

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

Schedule of Contributors

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

OMB No 1545-0047

2010

Name of the organization
ARTHUR AND EDITH STERN FAMILY FOUNDATION

Employer identification number
95-4609409

Organization type (check one):

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

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

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

Special Rules

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

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

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

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

Name of organization
ARTHUR AND EDITH STERN FAMILY FOUNDATION

Employer identification number
95-4609409

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ARTHUR P. STERN AND EDITH M. STERN 606 NORTH OAKHURST DRIVE BEVERLY HILLS, CA 90210-3531	$ 14,296.	Person ☑ Payroll ☐ Noncash ☑ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization: ARTHUR AND EDITH STERN FAMILY FOUNDATION

Employer identification number: 95-4609409

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	1,600 (ONE-THOUSAND SIX HUNDRED) SHARES AMERICA MOVIL S.A.B. DE C.V. SER 2 SPON ADA - AMERICAN DEPOSITARY RECEIPTS - TRADED ON THE NEW YORK STOCK EXCHANGE	$ 91,888.	12/01/2010

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

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

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

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

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

Name of organization | **Employer identification number**

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

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

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

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

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

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

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

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

NOTES Pertaining to 2010 Form 990-PF
(Statement Presenting Additional Required Information)

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

Contributor's name and address	Description of gift	Amount contributed
(1) Arthur & Edith Stern, 606 N. Oakhurst Dr., Beverly Hills, CA 90210-3531	1600 shares America Movil S.A.B. de CC Ser L spons. American Depositary Rec. (traded on New York Stock Exchange)	$91,888.00
(2) Arthur & Edith Stern, see above	Cash/expenses	14,295.94
Total contributions received		$106,183.94

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

The attached reports for December 31, 2010 list dividends and interest received by Foundation in 2010.

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

Through 2010: Merrill Lynch (securities account fees) .... $ 150.00

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

Through 2010:	U. S. Treasury	$ 300.00
	Franchise Tax Board (California)	10.00
	Department of Justice (California)	25.00
	Federal Tax Credit from 2009	17.82
Total Taxes and Fees		$ 352.82

(E) Depreciation (Form 990-PF, Part I, Page 1, Line 19)

Through 2010:	Computing and data processing systems	$ 483.00
	Library depreciation allocation	80.00
Total depreciation		$ 563.00

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

Through 2010:	General office expenses	$ 490.90
	Office communications and related expenses	226.45
Total Other Expenses		$ 717.35

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

The attached reports by UBS Financial Services, Merrill Lynch include detailed listings of stocks and bonds owned by the Foundation on December 31, 2010. Acquisition dates and costs are also shown (incl. correction of errors).

Continued on Page 2

NOTES Pertaining to 2010 Form 990-PF

(Statement Presenting Additional Required Information)

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

Line 3: Other increases not included in Line 2

Check cashing delays in 2010 .... $ 9,550.

Line 5: Decreases not included in Line 2

Check cashing delays in 2009 (includes errors) .... $ 6,532.

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

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

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

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

Continued on Page 3

NOTES Pertaining to 2010 Form 990-PF
(Statement Presenting Additional Required Information)

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

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

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

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

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

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

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

Line 3 - Grants and Contributions Paid During the Year

Recipient Name and address	If recipient is an individual, show ...	Foundation status of recipient	Purpose of grant or contribution	Grant amount ($)
(1) United Jewish Fund, Jewish Federation of L.A. 6505 Wilshire Blvd, 9th floor Los Angeles, CA 90048	N/A	501(c)(3) charitable & educational	Supports many Jewish charitable and community efforts	6,200.00
(2) J Street Education Fund c/o Cherbo Publishing 5535 Balboa Blvd, Suite #108 Encino, CA 91316	N/A	501(c)(3) educational	Supports Jewish Israel related education efforts	2,000.00
(3) The Elie Wiesel Foundation for Humanity 555 Madison Avenue, 20th Floor New York, NY 10022	N/A	501(c)(3) charitable	Supports Jewish education and culture	1,000.00
(4) Mazon: A Jewish Response to Hunger 1990 S. Bundy Drive, Suite 260 Los Angeles, CA 90025	N/A	501(c)(3) charitable	Support the needy, provides food for the hungry	1,000.00
(5) Meretz, USA 114 West 26th Street New York, NY 10001-6812	N/A	501(c)(3) educational	Support organization's varied activities in USA and Israel	750.00

Continued on Page 4

Arthur and Edith Stern Family Foundation
606 North Oakhurst Drive, Beverly Hills, CA 90210
Employer Identification Number: 95-460940

NOTES Pertaining to 2010 Form 990-PF
(Statement Presenting Additional Required Information)

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

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

(6) UCLA Foundation/Center of Jewish Studies 302 Royce Hall, Box 951485 Los Angeles, CA 90095-1485	N/A	501(c)(3) educational	Support educational activities of institution	$ 700.00
(7) The Benefactors, The Jewish Club of 1933 7150 Tampa Avenue Reseda, CA 91335-3798	N/A	501(c)(3) charitable	Support activities of Jewish Home of the Aging, Los Angeles	700.00
(8) Hillel Center for Jewish Life at UCLA 574 Hilgard Avenue Los Angeles, CA 90024	N/A	501(c)(3) educational,	Support educational and social work at UCLA	650.00
(9) United Way 523 West Sixth Street, Los Angeles, CA 90014	N/A	501(c)(3) charitable	Support needy by providing various services	600.00
(10) American Cancer Society 1599 Clifton Road, NE Atlanta, GA 303329-4251	N/A	501(c)(3) charitable & scientific .	Support cancer research and aid cancer patients	500.00
(11) CLAL, The National Jewish Center for Learning and Leadership 440 Park Avenue South, 4th floor, New York, NY 10016-8012	N/A	501(c)(3) educational	Support Jewish educational work	500.00
(12) OLPC Foundation 1 Cambridge Center, 10th floor Cambridge, MA 02142	N/A	501(c)(3) educational & research	Develop and distribute computers to needy children worldwide	500.00
(13) Human Arts Association Attention: Ms. Jacki Ochs, 80 Warren Street, Suite 48 New York, NY 10007	N/A	501(c)(3) artistic	Support artistic activities	500.00
(14) Friends of Yemin Orde 4501 Connecticut Ave, NW, Suite 813 Washington, DC 20008	N/A	501(c)(3) educational	Support organization's educational work and youth village	500.00

Continued on Page 5

NOTES Pertaining to 2010 Form 990-PF
(Statement Presenting Additional Required Information)

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

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

(15) National Jewish Coalition for Literacy 134 Beach Street Boston, MA 02111	N/A	501(c)(3) educational	Support educational activities for literacy throughout USA	$ 500.00
(16) Friends of Yad Sarah 450 Park Avenue, Suite 3201 New York, NY 10022	N/A	501(c)(3) charitable & educational	Support needy and disabled in Israel	500.00
(17) My New Red Shoes 555 Airport Boulevard, 5th Floor Burlingame, CA 94010	N/A	501(c)(3) educational, charitable	Support education and charity work	500.00
(18) IEEE Foundation/IEEE History Center 445 Hoes Lane Piscataway, NJ 08854	N/A	501(c)(3) educational and. scientific	Support educational and scientific work of institution	500.00
(19) Jewish World Watch 17514 Ventura Boulevard, Suite 206 Encino, CA 91316	N/A	501(c)(3) educational, social	Support organization's worldwide efforts for freedom, democracy	500.00
(20) Seeking Common Ground P. O. Box 101958 Denver, CO 80250	N/A	501(c)(3) charitable	Support educational and charitable work	500.00
(21) Habitat for Humanity International 121 Habitat Street Americus, GA 31709-3498	N/A	501(c)(3) charitable	Support charitable efforts	500.00
(22) Friends of Horses 6351 South Peoria Street Englewood, CO 80111-6401	N/A	501(c)(3) educational	Support educational and animal protective work	500.00

Continued on Page 6

Notes Pertaining to 2010 Form 990-PF

(Statement Presenting Additional Required Information)

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

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

(23) Common Ground Relief 1800 Deslonde Street New Orleans, LA 70717	N/A	501(c)(3) charitable	Support charitable activities	500.00
(24) American Youth Symphony 2365 Westwood Boulevard Suite 23 Los Angeles, CA 90064	N/A	501(c)(3) artistic & educational	Support artistic activities	500.00
(25) Carmel Bach Festival Attention: Ms Camille Kolles P.O. Box 575 Carmel, CA 93921	N/A	501(c)(3) artistic & educational	Support educational artistic work	500.00
(26) CT Vivian Leadership Institute c/o Ralph Fertig 927 Thayer Avenue Los Angeles, CA 90024	N/A	501(c)(3) educational	Support educational efforts	500.00
(27) Givat Haviva Education Foundation 114 West 26th Street, Suite 1001 New York, NY 10001	N/A	501(c)(3) educational	Support educational activities	400.00
(28) Beit T'shuvah 8831 Venice Boulevard Los Angeles, CA 90034-3223	N/A	501(c)(3) religious & charitable	Support religious & charitable activities	375.00
(29) Progressive Jewish Alliance 5870 West Olympic Boulevard Los Angeles, CA 90036-9796	N/A	501(c)(3) educational	Support educational work of organization	360.00
(30) Ameinu (former: Labor Zionist Alliance) 8939 West Third Street Los Angeles, CA 90048	N/A	501(c)(3) educational & social	Support Jewish social & educational activities	300.00

Continued on Page 7

Notes Pertaining to 2010 Form 990-PF

(Statement Presenting Additional Required Information)

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

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

(31) North American Conf. on Ethiopian Jewry 132 Nassau Street, Suite 412 New York, NY 10038	N/A	501(c)(3) educational & charitable	Support educational and charitable activity in support of Ethiopian immigrants in Israel	300.00
(32) Beth Tzedek – The House of Justice 145 South Fairfax Avenue, Suite 200 Los Angeles, CA 90036-2172	N/A	501(c)(3) educational & charitable	Support educational and charitable work of institution	300.00
(33) 21 (twenty-one) additional eligible organizations (all of the 501(c)(3) type). Contributions to each of these organizations was between $100.00 and $250.00, the total amount of these contributions amounting to	N/A	501(c)(3) educational, charitable, artistic, social, or scientific		4,500.00

Total Grants and Contributions Disbursed in 2010 .... $28,635.00

APS
10/16//2011

ATTACHMENT #1 –
SEE FORM 990-PF, PART II, ITEMS 10a, b, c

UBS

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

CPP1001818421 1210 X2 FN 0

Resource Management Account

December 2010

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

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

Visit our website:
www.ubs com/financialservices

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

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

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

Value of your account

	on November 30 ($)	on December 31 ($)
Your assets	666,445 55	767,424 68
Your liabilities	0 00	0.00
Value of your account	**$666,445.55**	**$767,424.68**
Accrued interest in value above	$539 66	$970 99

As a service to you, your portfolio value of $767,424 68 includes accrued interest

Change in the value of your account

	December 2010 ($)	Year to date ($)
Opening account value	**$666,445.55**	**$587,901.73**
Deposits, including investments transferred in	91,888 00	91,888 00
Withdrawals and fees, including investments transferred out	-1,400 00	-25,970 00
Dividend and interest income	3,411 83	31,127 32
Change in value outside assets/accruals	431.33	0 00
Change in market value	6,647 97	82,477 63
Closing account value	**$767,424.68**	**$767,424.68**

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

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

Your assets

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

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/Interest period	Days in period
Cash	0 00	553 13				
RMA MONEY MKT. PORTFOLIO	46,328 30	48,469 81	1 00	0 01%	Nov 23 to Dec 26	34
Total	**$46,328.30**	**$49,022.94**				

Equities

Common stock

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AEGON NV ADR N Y SHS NETHERLANDS ADR Symbol: AEG Exchange. NYSE	Jun 24, 03	300 000	9 910	3,028 25	6 130	1,839 00	-1,189 25	LT
ALCATEL-LUCENT SPON ADR Symbol ALU Exchange NYSE	May 7, 03	390 000	11 731	4,640 50	2 960	1,154 40	-3,486 10	LT
AMERICA MOVIL S A B DE C V SER L SPON ADR Symbol: AMX Exchange· NYSE EAI $1,836 Current yield: 0 89%	12/1/2010 Feb 7, 95	2000 1600 3,600 000	2 181	78,360 91,888 } 170,248 ~~7,964 16~~	57 340	206,424 00	36,176. ~~198,459.84~~	LT
AOL INC Symbol AOL Exchange NYSE	Dec 21, 04	30 000	32 633	987 96	23 710	711 30	-276 66	LT
AT&T INC Symbol T Exchange NYSE EAI $1,720 Current yield 5 85%	Sep 12, 03	1,000 000	24 870	24,870 00 [1]	29 380	29,380 00	4,510 00	LT
CBS CORP NEW CL B Symbol CBS Exchange· NYSE EAI: $50 Current yield 1 05%	Dec 6, 02	250 000	34.536	8,634 16 [1]	19.050	4,762 50	-3,871 66	LT
CITIGROUP INC Symbol C Exchange NYSE	Jan 22, 08	8,769 000	3 421	30,000 00	4 730	41,477 37	11,477 37	LT

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Your assets › Equities › Common stock (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
GENL ELECTRIC CO Symbol. GE Exchange NYSE EAI: $280 Current yield· 3.06%	Dec 13, 10	500.000	17 708	8,946.75	18.290	9,145 00	198 25	ST
TIME WARNER CABLE INC Symbol· TWC Exchange· NYSE EAI: $133 Current yield. 2.43%	Dec 21, 04	83.000	57 136	4,785 69	66 030	5,480.49	694.80	LT
TIME WARNER INC NEW Symbol TWX Exchange. NYSE EAI· $283 Current yield· 2.64%	Dec 21, 04	333 000	40 561	13,630 44	32.170	10,712 61	-2,917 83	LT
VIACOM INC NEW CL B Symbol. VIA.B Exchange NYSE EAI: $150 Current yield 1 51%	Dec 6, 02	250 000	55 763	13,940 84 [1]	39 610	9,902 50	-4,038.34	LT
Total				~~**$121,428.75**~~ 283,712.75		**$320,989.17**	**$199,560.42**	

Total estimated annual income: $4,452

[1] Indicates cost basis information provided by you or another third party UBS FS has not verified this information and does not guarantee its accuracy

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

Closed end funds & Exchange traded products

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
NEUBERGER BERMAN REAL ESTATE SEC INC FD Symbol NRO Exchange. AMEX EAI $1,242 Current yield 6 01%	Sep 9, 03	1,831 515	10 810	19,999 25	3 990	7,307 74	-12,691.51	LT
	Earnings	3,344 485	6 911	23,116 02	3 990	13,344.50	-9,771.52	
Security total		5,176 000		43,115 27		20,652 24	-22,463 03	

Your assets › Equities (continued)

Mutual funds

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

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

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

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

Holding	Number of shares	Purchase price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Investment return ($)	Holding period
INVESCO SELECT REAL									
ESTATE INCOME FUND									
CLASS A									
Symbol ASRAX									
Trade date Sep 9, 03	1,300 000	14.750	19,375.25	19,375 25	8 160	10,608 00	-8,767 25		LT
Total reinvested	1,337 050	8 571		11,460 01	8 160	10,910.32	-549 69		
EAI $783 Current yield 3 64%									
Security total	2,637 050		19,375 25	30,835 26		21,518 32	-9,316 94	2,143 07	

Fixed income

Corporate bonds and notes

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

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AT&T BROADBAND CORP								
GLOBAL B/E								
RATE 09 455% MATURES 11/15/22								
ACCRUED INTEREST $229.54								
CUSIP 00209TAB1								
Moody Baa1 S&P BBB+								
EAI. $1,796 Current yield 6 83%	Aug 06, 97	19,000 000	106 926	20,316 06 [1]	138 358	26,288 02	5,971 96	LT

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Your assets › Fixed income › Corporate bonds and notes (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
LUCENT TECHNOLOGIES INC GLOBAL · RATE 06 450% MATURES 03/15/29 ACCRUED INTEREST $474 79 CUSIP 549463AE7 Moody. B1 S&P B EAI $1,613 Current yield 8 16%	Feb 18, 04	25,000 000	86 351	21,587 96 [1]	79 000	19,750 00	-1,837 96	LT
GENERAL MTRS ACCEP CORP RATE 08 000% MATURES 11/01/31 ACCRUED INTEREST $266 66 CUSIP 370425RZ5 Moody B3 S&P B EAI $1,600 Current yield 7 48%	Feb 05, 03	20,000 000	104 128	20,825 65 [1]	106 970	21,394 00	568.35	LT
Total		**$64,000.000**		**$62,729.67**		**$67,432.02**	**$4,702.35**	

Total accrued interest: $970.99

Total estimated annual income: $5,009

[1] Indicates cost basis information provided by you or another third party UBS FS has not verified this information and does not guarantee its accuracy

Preferred securities

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AMB PPTY CORP SER L 6 50% PREFERRED Symbol AMB PRL Exchange NYSE EAI $1,300 Current yield 6 65%	Sep 9, 03	800 000	24 240	19,589.25	24 430	19,544 00	-45.25	LT
BAC CAP TR X 6 250% DUE 03/29/55 CALLABLE Symbol BAC PRB Exchange NYSE EAI $1,563 Current yield 7 10%	Oct 11, 07	1,000 000	23 450	23,655 25	22 000	22,000 00	-1,655 25	LT
FORD MOTOR CO CAP TR II DUE 01/15/2032 CONV 6 50% PREFERRED Symbol F PRS Exchange NYSE EAI $650 Current yield 6 26%	Nov 12, 10	200 000	51 210	10,355 53	51 915	10,383 00	27 47	ST

continued next page

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

Your assets › **Fixed income** › **Preferred securities** (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
GENERAL MOTORS CORP 7.25% SENIOR NOTES DUE 02/15/52 IN DEFAULT Symbol: RGM Exchange. NYSE	May 21, 03	800 000	24.970	20,181.25	7 000	5,600 00	-14,581 25	LT
GEORGIA POWER CAP TR VII 5 8750% DUE 01/15/44 CALLABLE Symbol GPE PRX Exchange NYSE EAI: $1,175 Current yield 5 84%	Feb 18, 04	800 000	24 790	19,886 85	25 150	20,120 00	233 15	LT
GMAC LLC 7 3750% SENIOR NOTES DUE 12/16/44 CALLABLE Symbol: GOM Exchange NYSE EAI: $1,475 Current yield 7 91%	Dec 13, 04	800 000	25 000	20,005.25	23 300	18,640 00	-1,365 25	LT
HSBC FINANCE CORP 6 8750% SENIOR NOTES DUE 01/30/33 CALLABLE Symbol. HTB Exchange NYSE EAI $1,375 Current yield· 6 77%	Feb 3, 03	800 000	25 600	20,485 25	25 380	20,304 00	-181 25	LT
LEHMAN BROS HLDGS CAP TR 6 000% DUE 04/22/53 CALLABLE SER M Symbol LHHMQ Exchange OTC	May 12, 04	1,000 000	21 070	21,125 25	0 020	20 00	-21,105 25	LT
MORGAN STANLEY CAP TR IV 6 250% DUE 04/01/33 CALLABLE Symbol MWG Exchange NYSE EAI $1,562 Current yield 6 85%	Oct 11, 07	1,000 000	22 740	22,945 25	22 800	22,800 00	-145.25	LT
MS CAPITAL TRUST III 6 250% DUE 3/01/33 CALLABLE 3/1/08@25 00 Symbol MWR Exchange· NYSE EAI $1,250 Current yield 6 97%	Feb 18, 04	800 000	25 480	20,438 85	22 420	17,936 00	-2,502 85	LT

continued next page

UBS

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

Your assets › Fixed income › Preferred securities (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
PNC CAPITAL TRUST D 6.1250% . DUE 12/15/33 CALLABLE Symbol· PNU Exchange· NYSE EAI: $1,531 Current yield. 6.14%	May 12, 04	1,000.000	21 370	21,425.25	24 940	24,940.00	3,514 75	LT
PROLOGIS TRUST CUML 6.75% PREFERRED CLBL Symbol PLD.PRF Exchange· NYSE EAI. $1,350 Current yield· 7 34%	Dec 15, 03	800 000	24 860	20,005 25	23 000	18,400.00	-1,605 25	LT
RBS CAPITAL FUND TRUST V SER E 5 900% PREFERRED CLBL Symbol: RBS PRE Exchange· NYSE EAI $2,213 Current yield· 11.53%	Mar 13, 06	1,500.000	23 780	35,825 25	12 800	19,200.00	-16,625.25	LT
USB CAP XII 6 300% DUE 02/15/67 CALLABLE Symbol· USB PRK Exchange NYSE EAI $1,575 Current yield: 6 34%	Oct 11, 07	1,000 000	22 870	23,075 25	24 840	24,840.00	1,764 75	LT
VORNADO REALTY TRUST CALLABLE@25.00 12/22/09 SER G 6 625% PREFERRED CLBL Symbol VNO PRG Exchange NYSE EAI: $1,656 Current yield 7.14%	Jun 6, 07	1,000 000	24 580	24,785 25	23 200	23,200 00	-1,585.25	LT
VORNADO REALTY TRUST CALL 8/31/10@$25 00 SER I 6 625% PREFERRED Symbol VNO PRI Exchange NYSE EAI $1,325 Current yield 7.01%	Aug 9, 06	800 000	23.930	19,149 25	23.640	18,912 00	-237 25	LT
Total				**$342,933.48**		**$286,839.00**	**-$56,094.48**	

Total estimated annual income: $20,000

Your assets (continued)

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**49,022.94**	**6.39%**	**49,022.94**		
Equities	Common stock	320,989 17		121,428 75	4,452 00	199,560 42
	Closed end funds & Exchange traded products	20,652 24		43,115.27	1,242 00	-22,463 03
	Mutual funds	21,518 32		30,835 26	783 00	-9,316.94
	Total equities	**363,159.73**	**47.32%**	**195,379.28**	**6,477.00**	**167,780.45**
Fixed income	Corporate bonds and notes	67,432 02		62,729 67	5,009 00	4,702.35
	Preferred securities	286,839 00		342,933 48	20,000 00	-56,094 48
	Total accrued interest	970 99				
	Total fixed income	**355,242.01**	**46.29%**	**405,663.15**	**25,009.00**	**-51,392.13**
Total		**$767,424.68**	**100.00%**	**$650,065.37**	**$31,486.00**	**$116,388.32**

Account activity this month

	Date	Activity	Description	Amount ($)
Dividend and interest income				
Taxable dividends	Dec 1	Foreign Dividend	AMERICA MOVIL S A B DE C.V SER L SPON ADR PAID ON 2000	519 48
	Dec 3	Dividend	NEUBERGER BERMAN REAL ESTATE SEC INC FD AS OF 11/30/10	103 00
	Dec 8	Dividend	INVESCO SELECT REAL ESTATE INCOME FUND CLASS A AS OF 12/03/10	218.71
	Dec 10	St Cap Gain	RMA MONEY MKT PORTFOLIO AS OF 12/09/10	1 65
	Dec 15	Dividend	TIME WARNER CABLE INC PAID ON 83	33 20
	Dec 15	Dividend	TIME WARNER INC NEW PAID ON 333	70.76
	Dec 27	Dividend	RMA MONEY MKT. PORTFOLIO AS OF 12/23/10	0 38
	Dec 30	Dividend	PROLOGIS TRUST CUML 6 75% PREFERRED CLBL PAID ON 800	337 52
	Dec 30	Dividend	VIACOM INC NEW CL B PAID ON 250	37 50
	Dec 31	Dividend	RBS CAPITAL FUND TRUST V SER E 5 900% PREFERRED CLBL PAID ON 1500	553 13
	Total taxable dividends			**$1,875.33**

ATTACHMENT #2 —
SEE FORM 990-PF, PART II, ITEMS 10a,b,c

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EMA Fiscal Statement

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

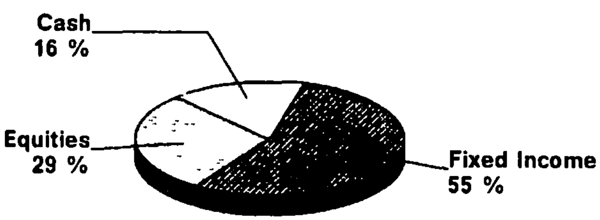
YOUR FINANCIAL ADVISOR:
THE SCHLOSS GROUP
FA # 3261
(800) 759-6066

For Client Service Questions Call:
1-800-MERRILL (1-800-637-7455)

Office Serving Your Account:
9560 WILSHIRE BLVD 3RD FLR
BEVERLY HILLS CA 90212

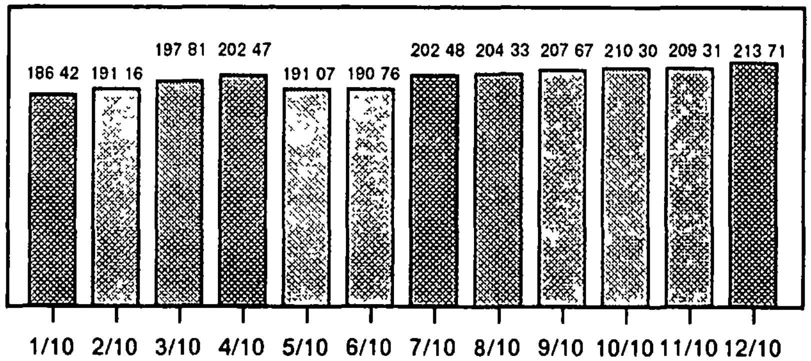
Account Value as of December 31, 2010
$213,706.42

Asset Allocation Summary



* May not reflect all holdings

Total Value Comparison (in $ Thousands)



Realized Capital Gain and Loss Summary*

	Current Fiscal Year (12/10)	Prior Fiscal Year (12/09)
Short Term	0.00	0.00
Long Term	0 00	0.00

* - Excludes transactions for which we have insufficient data

Unrealized Capital Gain and Loss Summary*

	Current Fiscal Year (12/10)	Prior Fiscal Year (12/09)
Short Term	0.00	8,890 00
Long Term	40,986.35	15,253.35

* - Excludes transactions for which we have insufficient data

PLEASE SEE REVERSE SIDE

Page	Statement Period	Account No
1 of 10	Year Ending 12/31/10	210-04028

X 00359409

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R & EDITH STERN

EMA Fiscal Statement

CURRENT PORTFOLIO SUMMARY

ity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/10	Unrealized Gain or (Loss)	Est Accrued Interest	Est Annual Income
	Cash and Money Funds						
	CASH		0 42	0 42			
178	ML BANK DEPOSIT PROGRAM	09/16/05	30,976 00	30,976.00			77 44
	Total Cash and Money Funds		**30,976.42**	**30,976.42**			**77.44**
	Corporate Bonds						
100	BANK OF AMERICA CORP NEW MONEY SER E FLT% PERPETUAL	02/08/08	8,036.00	7,344.00	(692 00)		409 00
100	BANK OF AMERICA CORP	02/08/08	12,090.00	11,016 00	(1,074.00)		614.00
100	MORGAN STANLEY CAP TRVII CAPITAL SECURITIES 06.60% OCT 15 2066	01/15/08	23,270.00	23,750.00	480.00		1,651 00
100	CITIGROUP CAPITAL VIII DEF INT TRUST PFD STK 6.950% SEPT 15 2031	10/14/05	25,444 66	24,200.00	(1,244 66)		1,737 00
100	BANK ONE CAPITAL VI DEF INT TRUST PFD SECS 07.200% OCT 15 2031	10/14/05	25,244 80	25,510 00	265.20		1,801.00
200	CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066	01/15/08	27,205.25	27,780.00	574.75		1,950.00
	Total Corporate Bonds		**121,290.71**	**119,600.00**	**(1,690.71)**		**8,162.00**

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ARTHUR & EDITH STERN

EMA Fiscal Statement

CURRENT PORTFOLIO SUMMARY

Quantity	Security Description	Date Acquired	Total/Adj Cost Basis	Fiscal Year Value 12/31/10	Unrealized Gain or (Loss)	Est Annual Income
			Equities			
1,000	BANK OF AMERICA CORP	02/06/09	6,170 00	13,340 00	7,170 00	41 00
700	EDISON INTL CALIF	10/09/02	6,446 99	27,020 00	20,573.01	897 00
500	OGE ENERGY CORP PV $0 01	06/05/92	7,835 95	22,770.00	14,934 05	750.00
	Total Equities		**20,452.94**	**63,130.00**	**42,677.06**	**1,688.00**