Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
STEWARTS SHOPS CORP EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 04/01/1974

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
STEWARTS SHOPS CORP

PO BOX 435
SARATOGA SPRINGS, NY 12866

2b Employer Identification Number (EIN) 14-1323607

2c Sponsor's telephone number 518-581-1200

2d Business code (see instructions) 445120

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/02/2010	DAVID A FARR, TRUSTEE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/02/2010	DAVID A FARR, TREASURER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
STEWARTS SHOPS CORP

PO BOX 435
SARATOGA SPRINGS, NY 12866

3b Administrator's EIN
14-1323607

3c Administrator's telephone number
518-581-1200

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:
a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	3050
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	2437
b	Retired or separated participants receiving benefits	**6b**	150
c	Other retired or separated participants entitled to future benefits	**6c**	381
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2968
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	11
f	Total. Add lines **6d** and **6e**	**6f**	2979
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	2901
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	468
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2P

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		___ **A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
STEWARTS SHOPS CORP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STEWARTS SHOPS CORP

D Employer Identification Number (EIN)
14-1323607

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	36394	2535194
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		2118200
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	4991	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	151569	
(2) U.S. Government securities	1c(2)	1614546	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	2460279	
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	744320	1135733
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	199652422	214215538
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	204664521	220004665
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i	16153000	11153000
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	16153000	11153000
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	188511521	208851665

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	11000000	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		11000000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)	137723	
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	60050	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		197773
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	42740	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		42740
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	-912024	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-912024

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	19066423	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		19066423
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		29394912
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7875163	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7875163
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		1171093
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	8512	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8512
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		9054768
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		20340144
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CUSAK & COMPANY,CPA'S LLC (2) EIN: 14-1800427

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
STEWARTS SHOPS CORP EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STEWARTS SHOPS CORP

D Employer Identification Number (EIN)
14-1323607

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

STEWART'S SHOPS CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2009

STEWART'S SHOPS CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
TABLE OF CONTENTS
DECEMBER 31, 2009

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Net Assets Available for Plan Benefits	2
Statement of Changes in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4-10
Supplemental Information	
Independent Auditor's Report on Supplemental Information	11
Assets Held for Investment Purposes	12
Schedule of Assets Held for Investment Purposes Which Were Both Acquired and Disposed of Within the Plan Year	13
Schedule of Loans or Fixed Income Obligations	13
Schedule of Leases in Default or Classified as Uncollectible	13
Schedule of Reportable Transactions	13
Schedules of Nonexempt Transactions	13
Schedule of Transactions with Parties in Interest	14

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: INFO@ CUSACKCPA.COM
WWW.CUSACKCPA.COM

JOSEPH D. BATTAGLIA, CPA
KENNETH B. CLAFLIN, CPA
PAUL A. CUDA, CPA
JAMES M. CUSACK, CPA
JOHN A. CRISCONE, CPA
WENDY M. LAING, CPA
JASON D. MARRA, CPA
JOHN J. TAFILOWSKI, CPA
TERRENCE P. GILLOOLEY
LAUREN M. LIGRECI
KIMBERLY A. URQUHART

CLIFTON PARK/HALFMOON
(518) 664-7063
FAX (518) 541-3083

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of
Stewart's Shops Corp.
Employee Stock Ownership Plan

We have audited the accompanying statements of net assets available for plan benefits of Stewart's Shops Corp. Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for Plan benefits as of December 31, 2009 and 2008, and the changes in net assets available for Plan benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 31, 2010

STEWART'S SHOPS CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2009 AND 2008

	2009			2008
	Allocated	**Unallocated**	**Total**	**Total**
ASSETS				
Investments at Fair Market Value				
Sponsor Employer Securities-				
Common Stock	$ 198,513,584	$ 15,701,954	$ 214,215,538	$ 199,652,422
Stock Securities	-	-	-	2,460,279
Bond Securities	-	-	-	1,614,546
Participant Loans	1,135,733	-	1,135,733	744,320
	199,649,317	15,701,954	215,351,271	204,471,567
Contribution Receivable	2,118,200	-	2,118,200	-
Interest Receivable	-	-	-	4,991
Cash and Cash Equivalents	2,535,194	-	2,535,194	187,963
Total Assets	204,302,711	15,701,954	220,004,665	204,664,521
LIABILITIES				
Loan Payable	-	11,153,000	11,153,000	16,153,000
Total Liabilities	-	11,153,000	11,153,000	16,153,000
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 204,302,711	$ 4,548,954	$ 208,851,665	$ 188,511,521

See accompanying notes and independent auditor's report.

STEWART'S SHOPS CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Allocated	Unallocated	Total
Additions to Net Assets Attributed to:			
Employer contribution	$ 4,828,907	$ 6,171,093	$ 11,000,000
Allocation of 56,951 shares of Stewart's Shop Corp. - Common Stock at Market	7,757,323	-	7,757,323
Investment income			
Stewart's Shop Corp. appreciation of common stock	16,259,307	1,999,583	18,258,890
Outside securities unrealized loss	807,533	-	807,533
Dividend income	42,740	-	42,740
Interest income from loans	60,050	-	60,050
Interest income from outside held securities	137,723	-	137,723
Loss on sale of outside securities	(912,024)	-	(912,024)
	28,981,559	8,170,676	37,152,235
Deductions from Net Assets Attributed to:			
Plan benefits paid to participants	7,875,163	-	7,875,163
Allocation of 56,951 shares of Stewart's Shop Corp. - common stock at market	-	7,757,323	7,757,323
Interest expense	-	1,171,093	1,171,093
Investment fees	8,512	-	8,512
	7,883,675	8,928,416	16,812,091
Net Increase in Net Assets Available for Plan Benefits	21,097,884	(757,740)	20,340,144
Net Assets Available for Plan Benefits, beginning of year	183,204,827	5,306,694	188,511,521
Net Assets Available for Plan Benefits, end of year	$ 204,302,711	$ 4,548,954	$ 208,851,665

See accompanying notes and independent auditor's report.

1. DESCRIPTION OF PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective January 1, 2001, the Stewart's Shops Corp. (the "Company") amended its Plan previously known as Stewart's Ice Cream Co., Inc. Profit Sharing Retirement Plan and renamed the Plan as Stewart's Shops Corp. Employee Stock Ownership Plan (the "Plan"). The Plan as amended operates, in relevant part, as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Company.

The Plan purchased Company common shares using the proceeds of a Company borrowing (Note 6), and holds the stock in a trust established under the Plan. The borrowing is to be repaid over a period of twelve years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowing is collateralized by the unallocated shares of stock. The Company has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

(a) the accounts of employees with vested rights in allocated stock (Allocated); and

(b) Stock not yet allocated to employees (Unallocated).

Funding Policy

The Company makes contributions in cash, company stock or forgiveness of debt to the Plan which, when aggregated with the Plan's dividend and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Additionally, the Company contributes, with respect to each Plan year, a discretionary contribution out of its net profit, as specified by the limits of the Plan.

Plan Benefits

In general, employees who have worked at least 500 hours during a Plan quarter or 1,000 hours during a Plan year, completed one year of service and have attained age 19 are eligible to participate in the Plan on the first entry date following the completion of the above required hours or year of service. The entry dates for the Plan are the first day of each Plan quarter. The normal retirement age is 62. A terminated participant with three or more years of credited service is entitled to a distribution of his/her vested accrued benefit. A participant who terminates without attaining three years of credited services forfeits his/her right to receive the portion of his/her accumulated plan benefit. Forfeitures totaled $2,545,644 for the year ended December 31, 2009.

1. DESCRIPTION OF PLAN (CONTINUED)

Plan Benefits (continued)

If a terminated participant, who had previously forfeited a nonvested interest, returns to employment without having incurred five or more one-year breaks in service, his/her balance is reinstated if he/she repays the full amount of any distribution to him/her before the earlier of five years after the first date on which the participant is subsequently re-employed or the close of the first period of five consecutive 1-year breaks in service commencing after the distribution.

Upon retirement, participants may elect to receive their pension benefits under one of three options available: a lump sum cash payment, installment payments, payable at least annually over a specified number of years determined by the Administrative Committee at the time that benefits commence, or by any other method permitted by law, except an annuity. Distribution will be made in cash unless the participant demands that distribution be made entirely in the form of whole shares of Company Stock, with cash for any fractional shares.

A terminated (through severance, death, or disability) participant may elect to receive his/her pension benefits as installment payments payable at least annually over a specified number of years, determined by the Administrative Committee at the time that benefits commence, as a cash-out, or may defer payments until age 70 ½ when minimum distribution regulations apply. A cash-out is a distribution of accrued benefits made on account of the employee's termination of participation in the Plan, at the employee's election, before the end of the Plan year following such termination. However, if at the time of termination the participant's vested accrued balance does not exceed $5,000, the entire amount of such accrued benefit shall be distributed in the form of an involuntary cash-out.

Participants' vesting percentages are based upon years of service as follows:

Years of Service	% Vested
1	0
2	0
3	20
4	40
5	60
6	80
7	100

The Pension Protection Act of 2006 provided for an accelerated 3 year "cliff" or 6 year "graded" vesting schedule. A special ESOP transitional rule allows the Plan to defer the new vesting schedule until the loan payable is repaid.

1. DESCRIPTION OF PLAN (CONTINUED)

Disability and Death Benefits

A participant shall have a 100% vested interest in his/her account upon termination of employment if such termination resulted from his/her death or disability, or occurred after he/she reaches normal retirement age.

Participant Accounts

Each active participant's account is credited with an allocation of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' nonvested accounts. Inactive participants receive an allocation of the Plan earnings. Allocations are based on participant earnings or account balances, as defined in the plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Administrative Costs

It is the Company's policy to fund all administrative costs on behalf of the Plan.

Termination of Plan

Should the Plan terminate at some future time, participants will become 100% vested and will receive their account balances.

Fair Value

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the Plan would receive upon selling an asset or be paid to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Subsequent Events

Management has evaluated subsequent events or transactions occurring through March 31, 2010, the date of the financial statements were available to be issued.

2. SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Plan have been prepared in conformity with generally accepted accounting principles as applied to employee benefit plans, and in accordance with the Plan agreement. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Preparation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Plan considers all short-term investments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are initially recorded at cost and are adjusted annually for changes in fair value. The fair value of qualifying employer securities is based on an independent valuation.

Participant Loans

The Plan has loans to participants outstanding at December 31, 2009 and 2008. The loans are being repaid through after-tax payroll deductions and carry interest at rates ranging from approximately 4.25% to 9.25% annually for the years ended December 31, 2009 and 2008. All outstanding balances are due within five years of issuance.

3. TAX STATUS

The Internal Revenue Service has determined and informed the Company, by a letter dated March 2, 2004, that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

4. ADMINISTRATION OF PLAN ASSETS

The Plan assets, which consist principally of Company common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

5. INVESTMENTS

Sponsor Employer Securities

As of December 31, 2009 and 2008, the fair value of the securities of Stewart's Shops Corp., Inc. was determined by an independent valuation of the Company.

The following table presents the fair value and the net change in unrealized appreciation of investments in qualifying employer securities as of the years ended December 31, 2009 and 2008:

	Allocated	Unallocated	Total 2009	Total 2008
Number of Shares	1,457,408	115,278	1,572,686	1,602,348
Cost	$ 78,930,010	$ 8,808,408	$ 87,738,418	$ 86,111,096
Market	$198,513,584	$ 15,701,954	$214,215,538	$199,652,422

6. LOAN PAYABLE

In 2001, the Plan entered into a $60,000,000 term loan agreement with the Company. The balance of the loan payable is $11,153,000 and $16,153,000 at December 31, 2009 and 2008, respectively. The proceeds of the loan were used to purchase Company common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over twelve years. The minimum scheduled amortization of the loan is $5,000,000 each December 31, until the loan is repaid. The loan bears interest at 7.25%.

7. EMPLOYER CONTRIBUTIONS

The Company makes contributions in cash, company stock or forgiveness of debt to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. During 2009, contributions of $11,000,000 were all made in cash.

8. BENEFITS

The participant's interest in net assets available for Plan benefits is summarized below:

	December 31, 2009	December 31, 2008
Vested		
For retired, disabled, deceased or terminated participants	$ 47,795,149	$ 39,598,004
For active participants not presently receiving plan benefits	140,228,738	127,325,786
Nonvested	16,278,824	16,281,037
Net assets available for plan benefits	$204,302,711	$183,204,827

9. TRANSACTIONS WITH PARTIES-IN-INTEREST

Accounts Payable

There were no accounts payable at December 31, 2009 and 2008.

Administrative Costs

It is the Company's policy to fund all administrative costs on behalf of the Plan.

10. CONCENTRATIONS

Stewart's Shops Corp. operates 327 retail convenience stores primarily in Upstate New York and Vermont as well as a dairy and ice cream plant.

11. FAIR VALUE MEASUREMENTS

The following table presents the Plan's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2009 consistent with the fair value hierarchy provisions of the Accounting Standards Codification:

11. FAIR VALUE MEASUREMENTS (CONTINUED)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets at Fair Value as of December 31, 2009				
Sponsor Employer Securities				
Common Stock	$ -	$ 214,215,538	$ -	$ 214,215,538
Participant Loans	-	1,135,733	-	1,135,733
	$ -	$ 215,351,271	$ -	$ 215,351,271
Liabilities at Fair Value as of December 31, 2009				
Loan Payable	$ -	$ 11,153,000	$ -	$ -

Cash and receivables - The carrying amounts approximate fair value because of the short maturity of these instruments.

CUSACK & COMPANY

Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: INFO@ CUSACKCPA.COM
WWW.CUSACKCPA.COM

JOSEPH D. BATTAGLIA, CPA
KENNETH B. CLAFLIN, CPA
PAUL A. CUDA, CPA
JAMES M. CUSACK, CPA
JOHN A. CRISCONE, CPA
WENDY M. LAING, CPA
JASON D. MARRA, CPA
JOHN J. TAFILOWSKI, CPA
TERRENCE P. GILLOOLEY
LAUREN M. LIGRECI
KIMBERLY A. URQUHART

CLIFTON PARK/HALFMOON
(518) 664-7063
FAX (518) 541-3083

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

REPORT OF INDEPENDENT AUDITOR ON SUPPLEMENTAL INFORMATION

The Board of Trustees of
Stewart's Shops Corp.
Employee Stock Ownership Plan

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Stewart's Shops Corp. Employee Stock Ownership Plan for the year ended December 31, 2009, which is presented in the preceding section of this report. The supplemental information listed in the Table of Contents of this report is presented for purposes of complying with the U.S. Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 31, 2010

ITEM 27A - ASSETS HELD FOR INVESTMENT PURPOSES

		Cost	Fair Value
Stewart's Shops Corp., (Qualifying Employer Securities)	1,572,686 shares	$ 87,738,418	$ 214,215,538
Participant Loans (a)		1,135,733	1,135,733
		$ 88,874,151	$ 215,351,271

(a) Loans are solely secured by the participant's account balance in the Plan. As of December 31, 2009, no amounts were past due. All loans are due within five years.

ITEM 27A - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES WHICH WERE BOTH ACQUIRED AND DISPOSED OF WITHIN THE PLAN YEAR

There were no assets held for investment purposes acquired and disposed of within the Plan year ended December 31, 2009.

ITEM 27B - SCHEDULE OF LOANS OR FIXED INCOME OBLIGATIONS FOR THE YEAR ENDED DECEMBER 31, 2009

There were no loans or fixed income obligations in default or determined to be uncollectible as of December 31, 2009.

ITEM 27C - SCHEDULE OF LEASES IN DEFAULT OR CLASSIFIED AS UNCOLLECTIBLE FOR THE YEAR ENDED DECEMBER 31, 2009

There were no leases in default or classified as uncollectible at December 31, 2009.

ITEM 27D - SCHEDULE OF REPORTABLE TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2009

There were no reportable transactions for the year ended December 31, 2009.

ITEM 27E - SCHEDULE OF NONEXEMPT TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2009

There were no nonexempt, prohibited transactions with respect to a disqualified person during the year ended December 31, 2009.

ITEM 27F - SCHEDULE OF NONEXEMPT TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2009

There were no nonexempt, prohibited transactions with respect to a disqualified person during the year ended December 31, 2009.

SCHEDULE OF TRANSACTIONS WITH PARTIES IN INTEREST FOR THE YEAR ENDED DECEMBER 31, 2009

Accounts Payable

There were no accounts payable at December 31, 2009.

Employer Contribution

During the year ended December 31, 2009, the Company contributed $11,000,000 to the Plan.

Administrative Costs

It is the Company's policy to fund all administrative costs on behalf of the Plan.