

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2007

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning **JUL 1, 2007**, and ending **JUN 30, 2008**

Open to Public Inspection for
501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)

B Exempt under section
 501(c)(7) 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

EPSILON THETA CORPORATION, INC.
Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
259 SAINT PAUL STREET
City or town, state, and ZIP code
BROOKLINE, MA 02446

04-6170956
E Unrelated business activity codes (See instructions for Block E on page 9.)
900001

C Book value of all assets at end of year
371,932.

F Group exemption number (see instructions for Block F.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **INTEREST & DIVIDEND INCOME, CAPITAL GAINS**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of **LAURA DEAN** Telephone number **(617) 776-6543**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
	c Balance			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)	19,419.		19,419.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9,139.		9,139.
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions; attach schedule.)			
13	Total. Combine lines 3 through 12	28,558.		28,558.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule)	18	
19	Taxes and licenses	19	4,295.
20	Charitable contributions (See instructions for limitation rules.)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	
29	Total deductions. Add lines 14 through 28	29	4,295.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	24,263.
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	24,263.
33	Specific deduction (Generally \$1,000, but see instructions for exceptions)	33	1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	23,263.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:			
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):	(1) \$ _____ (2) \$ _____ (3) \$ _____		
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750)	\$ _____		
(2) Additional 3% tax (not more than \$100,000)	\$ _____		
c Income tax on the amount on line 34		35c	3,489.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:			
<input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36	
37 Proxy tax. See instructions		37	
38 Alternative minimum tax		38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies		39	3,489.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b Other credits (see instructions)	40b		
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____	40c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d		
e Total credits. Add lines 40a through 40d		40e	
41 Subtract line 40e from line 39		41	3,489.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)		42	
43 Total tax. Add lines 41 and 42		43	3,489.
44a Payments: A 2006 overpayment credited to 2007	44a		
b 2007 estimated tax payments	44b	3,400.	
c Tax deposited with Form 8868	44c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d		
e Backup withholding (see instructions)	44e		
f Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	44f		
45 Total payments. Add lines 44a through 44f		45	3,400.
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/>		46	2.
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed		47	91.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid		48	
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		49	

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here _____	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year: \$ _____		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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) is based on all information of which preparer has any knowledge.

Signature of officer: CLIENT'S COPY Date: _____ Title: TREASURER

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: MICHAEL T. SOKOLSKI, CPA Date: 11/11/08 Check if self-employed: Preparer's SSN or PTIN: P00106133

Firm's name (or yours if self-employed), address, and ZIP code: YOSHIDA & SOKOLSKI, PC
20 MALL ROAD, SUITE 322
BURLINGTON, MA 01803-4126

EIN: 04-3014517
Phone no.: (781) 273-1010

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property

Table with 4 rows for property description (1-4).

Table for Rent received or accrued, split into (a) From personal property and (b) From real and personal property, with a column for Deductions directly connected with the income.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

Table for Unrelated Debt-Financed Income, columns 1-3: Description of debt-financed property, Gross income from or allocable to debt-financed property, and Deductions directly connected with or allocable to debt-financed property.

Table for Unrelated Debt-Financed Income, columns 4-8: Amount of average acquisition debt, Average adjusted basis, Column 4 divided by column 5, Gross income reportable, and Allocable deductions.

Totals Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0.

Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

Table for Controlled Organizations, columns 1-6: Name of Controlled Organization, Employer Identification Number, Net unrelated income (loss), Total of specified payments made, Part of column 4 that is included in the controlling organization's gross income, and Deductions directly connected with income in column (5).

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations, columns 7-11: Taxable Income, Net unrelated income (loss), Total of specified payments made, Part of column 9 that is included in the controlling organization's gross income, and Deductions directly connected with income in column 10.

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Totals 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1) FIDELITY	9,091.			
(2) WAINWRIGHT BANK INTEREST	48.			
(3)				
(4)				
Totals	9,139.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM **990-T**

2007

Name **EPSILON THETA CORPORATION, INC.** Employer identification number **04-6170956**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)	1	3,489.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
2c	Credit for Federal tax paid on fuels (see instructions)	2c	
2d	Total. Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	3,489.
4	Enter the tax shown on the corporation's 2006 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	3,372.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	3,372.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	10/15/07	12/15/07	03/15/08	06/15/08
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	843.	843.	843.	843.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	575.	1,125.	850.	850.
Complete lines 12 through 18 of one column before going to the next column.				
12 Enter amount, if any, from line 18 of the preceding column			14.	21.
13 Add lines 11 and 12		1,125.	864.	871.
14 Add amounts on lines 16 and 17 of the preceding column		268.		
15 Subtract line 14 from line 13. If zero or less, enter -0-	575.	857.	864.	871.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	268.			
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column		14.	21.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers; Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2007 and before 1/1/2008	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 8\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 12/31/2007 and before 4/1/2008	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{366}$	24	\$	\$	\$
25 Number of days on line 20 after 3/31/2008 and before 7/1/2008	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times \%}{366}$	26	\$	\$	\$
27 Number of days on line 20 after 6/30/2008 and before 10/1/2008	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times \%}{366}$	28	\$	\$	\$
29 Number of days on line 20 after 9/30/2008 and before 1/1/2009	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	30	\$	\$	\$
31 Number of days on line 20 after 12/31/2008 and before 2/16/2009	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	33	\$	\$	\$
34 Penalty. Add columns (a) through (d) of line 33. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	34			\$ 2.

* For underpayments paid after March 31, 2008: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

