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

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation LORE KANN FOUNDATION, INC.	**A** Employer identification number 13-3374261
Number and street (or P O box number if mail is not delivered to street address) 177 OLD CLYDE PARK ROAD — Room/suite	**B** Telephone number (see instructions) 406-224-1049
City or town, state and ZIP code LIVINGSTON MT 59047	**C** If exemption application is pending, check here ▶ ☐
G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	**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) ▶ $ 691,274 — **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 instructions))*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	14	14		
	4	Dividends and interest from securities	12,923	12,923		
	5 a	Gross rents		0		
	b	Net rental income or (loss) 0				
	6 a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a 0				
	7	Capital gain net income (from Part IV, line 2)		8,324		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10 a	Gross sales less returns and allowances 0				
	b	Less Cost of goods sold 0				
	c	Gross profit or (loss) (attach schedule)	0			
	11	Other income (attach schedule)	0	0	0	
	12	**Total.** Add lines 1 through 11	12,937	21,261	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule)	0	0	0	0
	b	Accounting fees (attach schedule)	1,250	1,250	1,250	1,250
	c	Other professional fees (attach schedule)	8,000	8,000	8,000	8,000
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	721	721	721	721
	19	Depreciation (attach schedule) and depletion	0	0	0	
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	5,718	5,718	5,718	5,718
	24	**Total operating and administrative expenses.** Add lines 13 through 23	15,689	15,689	15,689	15,689
	25	Contributions, gifts, grants paid	74,000			74,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	89,689	15,689	15,689	89,689
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-76,752			
	b	**Net investment income** *(if negative, enter -0-)*		5,572		
	c	**Adjusted net income** *(if negative, enter -0-)*			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	284	18,930	18,930
	2	Savings and temporary cash investments	53,800	33,017	33,017
	3	Accounts receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	4	Pledges receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	0	0	0
	c	Investments—corporate bonds (attach schedule)	762,654	696,363	639,327
	11	Investments—land, buildings, and equipment basis ▶ 0			
		Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	0	0	0
	14	Land, buildings, and equipment basis ▶ 0			
		Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	15	Other assets (describe ▶)	0	0	0
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	816,738	748,310	691,274
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)	0	0	
	23	**Total liabilities** (add lines 17 through 22)	0	0	
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	0	0	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	816,738	748,310	
	30	**Total net assets or fund balances** (see instructions)	816,738	748,310	
	31	**Total liabilities and net assets/fund balances** (see instructions)	816,738	748,310	

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	816,738
2	Enter amount from Part I, line 27a	2	-76,752
3	Other increases not included in line 2 (itemize) ▶ Capital Gains	3	8,324
4	Add lines 1, 2, and 3	4	748,310
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	748,310

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	Secunties SAS	P	1/1/2011	12/31/2011
b	Secunties SAS	P	1/1/2009	12/31/2011
c	Capital Gain Distributions	P	1/1/2005	12/31/2011
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	79,419	0	88,300	-8,881
b	94,834	0	93,996	838
c	16,367	0	0	16,367
d	0	0	0	0
e	0	0	0	0

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	0	0	0	-8,881
b	0	0	0	838
c	0	0	0	16,367
d	0	0	0	0
e	0	0	0	0

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	8,324
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 instructions). If (loss), enter -0- in Part I, line 8	3	-8,881

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	89,794	780,068	0 115110
2009	88,174	735,482	0.119886
2008	126,990	1,081,308	0.117441
2007	139,550	1,308,031	0.106687
2006	78,070	1,230,561	0 063443

2	**Total** of line 1, column (d)	2	0 522567
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	0.104513
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	779,170
5	Multiply line 4 by line 3	5	81,433
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	56
7	Add lines 5 and 6	7	81,489
8	Enter qualifying distributions from Part XII, line 4	8	89,689

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

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

1 a	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	56	
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	56	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	56	
6	Credits/Payments			
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 0			
b	Exempt foreign organizations—tax withheld at source — 6b:			
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0			
d	Backup withholding erroneously withheld — 6d:			
7	Total credits and payments Add lines 6a through 6d	7	0	
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	56	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0	
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 0 **Refunded** ▶	11	0	

Part VII-A Statements Regarding Activities

			Yes	No
1 a	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		X
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		X
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		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
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	X	
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	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MT			
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Robert Forstenzer Telephone no ▶ 406-222-2530
Located at ▶ 177 Old Clyde park Road Livingston MT ZIP+4 ▶ 59047

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see 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 2011?		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ 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 instructions)		2b	N/A	
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 2011 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 2011)		3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **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? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53 4945–5(d)

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

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

If "Yes" to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
KAREN HASKEL IN NEW ROCHELLE NY 10801	TREAS 5.00	0	0	0
ROBERT FORSTENZER 177 OLD CP ROAD LIVINGSTON MT 59047	PRES 5.00	0	0	0
GARY AMBROSE IN NEW YORK NY 10101	SEC 1 00	0	0	0
	.00	0	0	0

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	0
Total. Add lines 1 through 3 ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	753,640
b	Average of monthly cash balances	1b	37,396
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	791,036
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	791,036
4	Cash deemed held for charitable activities Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	11,866
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	779,170
6	**Minimum investment return.** Enter 5% of line 5	6	38,959

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	38,959
2a	Tax on investment income for 2011 from Part VI, line 5	2a	56		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	0		
c	Add lines 2a and 2b			2c	56
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	38,903
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	38,903
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	38,903

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes:		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	89,689
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	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	89,689
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	56
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	89,633

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income *(see instructions)*

			(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7					38,903
2	Undistributed income, if any, as of the end of 2011					
a	Enter amount for 2010 only				0	
b	Total for prior years 20____, 20____, 20____			0		
3	Excess distributions carryover, if any, to 2011.					
a	From 2006	19,242				
b	From 2007	77,073				
c	From 2008	73,745				
d	From 2009	51,552				
e	From 2010	51,649				
f	**Total** of lines 3a through e		273,261			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 89,689					
a	Applied to 2010, but not more than line 2a				0	
b	Applied to undistributed income of prior years (Election required—see instructions)			0		
c	Treated as distributions out of corpus (Election required—see instructions)		0			
d	Applied to 2011 distributable amount					38,903
e	Remaining amount distributed out of corpus		50,786			
5	Excess distributions carryover applied to 2011 (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		324,047			
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					
d	Subtract line 6c from line 6b Taxable amount—see instructions			0		
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions				0	
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		19,242			
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		304,805			
10	Analysis of line 9					
a	Excess from 2007	77,073				
b	Excess from 2008	73,745				
c	Excess from 2009	51,552				
d	Excess from 2010	51,649				
e	Excess from 2011	50,786				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0	0	0	0	0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0	0	0	0	0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0	0	0	0	0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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 instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

LORE KANN FOUNDATION, INC. 177 OLD CLYDE PARK ROAD LIVINGSTON MT 59047 406-222-2530

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

WRITTEN REQUESTS

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 ATTACHED LISTING VARIOUS LIVINGSTON MT 59047	NONE		VAROUS	74,000
Total ▶ 3a				74,000
b Approved for future payment				
Total ▶ 3b				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions)
1 Program service revenue					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14		14
4 Dividends and interest from securities			14		12,923
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				0	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		0	12,937

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 12,937

(See worksheet in line 13 instructions 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 instructions)
3	INCOME TO DISTRIBUTE PER FOUNDATION POLICIES.
4	INCOME TO DISTRIBUTE PER FOUNDATION POLICIES

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

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?

		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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

[signature] 5/9/12 President

Signature of officer or trustee — Date — Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James Walter	James Walter	5/4/2012		P01254699
Firm's name ▶ Blakely & Walter, P.C.			Firm's EIN ▶ 81-0522237	
Firm's address ▶ P O Box 887, Livingston, MT 59047			Phone no (406) 222-2462	

Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
		721	721	721	721
1	Real estate tax not included in line 20				
2	Tax on investment income	292	292	292	292
3	Income tax	429	429	429	429
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
		5,718	5,718	5,718	5,718
1	Fund Raising				
2	OFFICE POSTAGE	124	124	124	124
3	STATE FEES	100	100	100	100
4	TRAVEL	5,465	5,465	5,465	5,465
5	BANK CHARGES	29	29	29	29
6					
7					
8					
9					

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours
1	KAREN HASKEL		IN	NEW ROCHELLE	NY	10801		TREAS	5 00
2	ROBERT FORSTENZER		177 OLD CP ROAD	LIVINGSTON	MT	59047		PRES	5 00
3	GARY AMBROSE		IN	NEW YORK	NY	10101		SEC	1.00
4									
5									
6									
7									
8									
9									
10									

Lore Kann Foundation-Portfolio - As of 12/31/2011.2

As of 12/31/2011

Security	Shares	Quote/Price	Cost Basis	Balance
Artio International Equity Fd	3,026.794	22.100	88,827 63	66,892 15
CGM Focus Fund	1,363 684	25.650	65,892 20	34,978 49
Dodge & Cox International Fund	1,236 089	29.240	48,083 80	36,143 24
DWS Gold & Precious Metals Fund	1,807.793	15.040	37,518 79	27,189 21
First Tr Exchange Traded	210.000	32.660	7,463.99	6,858 60
ISHARES NASDAQ BIOTECHNOLOGY	84 000	104.350	8,012 72	8,765 40
Ishares Tr S&P Midcap 400 Index	350.000	87.610	30,396.97	30,663.50
Janus Overseas Fund	1,018 400	31.420	51,214.64	31,998 13
SPDR Gold Tr Gold	300 000	151.990	21,989.80	45,597.00
SPDR SER TR KBW BK ETF	1,200.000	19.830	23,908.96	23,796.00
T Rowe Price Global Technology	7,878.564	8 950	54,366.94	70,513.15
T Rowe Price Media & Telecommunications	814.539	46.910	39,393.78	38,210 02
US World Precious Minerals	1,637 693	13.180	37,205.67	21,584.79
Vanguard Energy Fund	976 533	59.970	62,500.89	58,562.68
Vanguard Health Care Fund	729.085	128.730	81,614.74	93,855.11
Vanguard Specialized Port	800.000	54.650	37,971.52	43,720 00
TOTAL Investments			**696,363.04**	**639,327.47**

Capital Gains - Last year

1/1/2011 through 12/31/2011

Secunty	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
SHORT TERM						
Vanguard Specialized Port	200 000	8/5/2010	1/21/2011	10,674.79	9,492 88	1,181 91
First Tr Exchange Traded	420 000	11/18/2010	8/10/2011	14,132.32	14,813 21	-680 89
ISHARES NASDAQ BIOTECHNOLOGY	170 000	11/18/2010	8/11/2011	14,476 87	14,968 14	-491 27
Vanguard Emerging Mkts	100 000	11/2/2010	9/26/2011	3,909.23	4,668 71	-759 48
Vanguard Emerging Mkts	200.000	11/2/2010	9/26/2011	7,818.46	9,375 66	-1,557 20
Wisdomtree Tr Emerging Mkts	200 000	11/2/2010	9/26/2011	8,535 17	10,503 40	-1,968 23
Wisdomtree Tr Emerging Mkts	100 000	11/2/2010	9/26/2011	4,267.58	5,233 60	-966 02
Market Vectors	350.000	1/14/2011	9/27/2011	15,604.39	19,244.80	-3,640 41
				79,418.81	**88,300.40**	**-8,881.59**
LONG TERM						
CGM Focus Fund	626.959	2/1/2006	3/25/2011	19,995 20	23,938.88	-3,943.68
Vanguard Health Care Fund	72.448	12/8/2004	5/24/2011	9,995 20	9,226.94	768 26
CGM Focus Fund	318.573	2/1/2006	6/1/2011	9,995.20	12,163 92	-2,168.72
Ishares Tr S&P Midcap 400 Index	700.000	9/21/2009	8/11/2011	54,848.86	48,665 80	6,183.06
				94,834.46	**93,995.54**	**838.92**
				174,253.27	**182,295.94**	**-8,042.67**

LORE KANN FOUNDATION, INC — 12/31/2011

SSN: 13-3374261

FORM 990-PF

PART X

LINE 1a:	AVERAGE MONTHLY FMV OF SECURITIES	753,640
LINE 1b:	AVERAGE OF MONTHLY CASH BALANCES	37,396
LINE 1c:	FMV OF OTHER ASSETS	0
	LINE 1d: TOTALS	791,035

	CASH	OTHER	STOCKS
Jan-2011	24,958	0	816,751
Feb-2011	11,459	0	843,560
Mar-2011	25,257	0	830,842
Apr-2011	13,230	0	862,342
May-2011	17,432	0	833,189
Jun-2011	21,028	0	802,211
Jul-2011	20,530	0	794,120
Aug-2011	73,865	0	681,461
Sep-2011	70,283	0	607,481
Oct-2011	59,378	0	672,253
Nov-2011	59,378	0	660,137
Dec-2011	51,948	0	639327
TOTALS	448,746	0	9,043,674
DIVIDED BY 12	37,396	0	753,640

CONTRIBUTIONS, ETC - Last year

1/1/2011 through 12/31/2011

Date	Description	Memo	Clr	Amount
Absaroka/Beartooth Wilderness Association				**-5,000**
10/11/2011	Absaroka/Beartooth Wilderness Association	POB 958, Billings,MT 59103	R	-5,000
AERO				**-1,000**
2/3/2011	AERO	432 N Last Chance Gulch Road, Helena, Mt59601	R	-1,000
American Cancer Society				**-1,000**
10/15/2011	American Cancer Society	2 Lyon Place,White Plains,NY 10601	R	-1,000
Brain Injury Association				**-500**
7/29/2011	Brain Injury Association	1608 Spring Hill Rd, St 101,Vienna,VA 22182	R	-500
Carnegie Hall Society				**-2,000**
1/14/2011	Carnegie Hall Society	881 7th Av,NY,NY 10019-3210	R	-2,000
Crazy Mountain Productions				**-5,000**
4/21/2011	Crazy Mountain Productions	POB 58, Liv, Mt 59047	R	-5,000
First Baptist Church				**-1,000**
4/5/2011	First Baptist Church	56 S Broadway, Tarrytown, NY 10591	R	-1,000
Friands Of Public Radio				**-1,000**
10/25/2011	Friands Of Public Radio	1500 University Dr, Billings,MT 59101	R	-1,000
Greyhound Freinds, Inc.				**-6,000**
2/17/2011	Greyhound Freinds, Inc.	167 Saddle Hill Rd,Hopkinton,MA	R	-6,000
Horse Of Connecticut				**-1,000**
12/19/2011	Horse Of Connecticut	43 Wilbur Road,Washington,CT 06777	R	-1,000
JCC Of Mid Westchester				**-5,000**
12/18/2011	JCC Of Mid Westchester	999 Wilmont Rd, Scarsdale, NY 10583	R	-5,000
Livingston Art & Culture				**-3,000**
1/7/2011	Livingston Art & Culture	POB 1644 Livingston, Mt 59047	R	-3,000
Livingston Food Pantry				**-4,000**
1/14/2011	Livingston Food Pantry	112 North M Street, Livingston, Mt 59047	R	-1,000
5/10/2011	Livingston Food Pantry	112 North M Street, Liv, Mt 59047	R	-3,000
Maloto				**-1,000**
10/12/2011	Maloto	85 S Bdwy, Nyack,NY 10960	R	-1,000
Manaia Youth Programs				**-4,000**
2/3/2011	Manaia Youth Programs	POB 193, Liuv, Mt 59047	R	-4,000
Montana Conservation Voters Education Fund				**-2,500**
2/3/2011	Montana Conservation Voters Education Fu ..	POB 853 Billings,MT 59103	R	-2,500
Montana Organic Association				**-1,000**
5/23/2011	Montana Organic Association	POB 1675, Polson,Mt 59860	R	-1,000
Montana Preservation Alliance				**-5,000**
6/2/2011	Montana Preservation Alliance	PO Box 1872, Bozeman, Mt 59771	R	-5,000

CONTRIBUTIONS, ETC - Last year

1/1/2011 through 12/31/2011

Date	Description	Memo	Clr	Amount
MS Society				**-4,000**
3/11/2011	MS Society	733 Third Av 3rd Floor, NY,NY10017	R	-4,000
Northside Park				**-10,000**
1/7/2011	Northside Park	POB 556, Livingston, Mt 59047	R	-10,000
Park County Community Foundation				**-500**
4/19/2011	Park County Community Foundation	POB 2199, 59047	R	-500
Park County Tobacco Use Prevention				**-2,500**
8/16/2011	Park County Tobacco Use Prevention	315 North 8th St, Liv, Mt 59047	R	-2,500
Park High School/Choir-DC Trip				**-2,500**
4/5/2011	Park High School/Choir-DC Trip	102 View Vista Dr, Liv, Mt 59047	R	-2,500
Park High School/Tennis Program				**-500**
3/22/2011	Park High School/Tennis Program	102 View Vista Dr, Liv, Mt 59047	R	-500
Sarah Lawrence College				**-2,500**
4/29/2011	Sarah Lawrence College	1 Meadway,Bronxville, NY	R	-2,500
Seer Farms				**-2,000**
1/12/2011	Seer Farms	POB 91, Jackson, NJ 08527	R	-2,000
TCHF/Courage Classic				**-500**
5/10/2011	TCHF/Courage Classic	POB 5003, Dnver,CO 80217-5003	R	-500
		OVERALL TOTAL		**-74,000**