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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

2011

For calendar year 2011 or tax year beginning

, and ending

Name of foundation The Fain Foundation		A Employer identification number 75-6016679
Number and street (or P.O. box number if mail is not delivered to street address) 807 8th Street, 2nd Floor	Room/suite	B Telephone number 940-322-4436
City or town, state, and ZIP code Wichita Falls, TX 76301-3381		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 14,828,710.35	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(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			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	152.40	152.40		Statement 1
	4 Dividends and interest from securities	398,496.97	398,496.97		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<557,083.39>			
	b Gross sales price for all assets on line 6a	2,318,426.84			
	7 Capital gain net income (from Part IV, line 2)		0.00		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	3,216.58	3,216.58		Statement 3	
12 Total. Add lines 1 through 11	<155,217.44>	401,865.95			
13 Compensation of officers, directors, trustees, etc.	60,000.00	30,000.00		30,000.00	
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees Stmt 4	12,000.00	6,000.00		6,000.00	
c Other professional fees Stmt 5	47,098.11	47,098.11		0.00	
17 Interest					
18 Taxes Stmt 6	4,873.50	1,703.56		0.00	
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses Stmt 7	69.84	69.84		0.00	
24 Total operating and administrative expenses. Add lines 13 through 23	124,041.45	84,871.51		36,000.00	
25 Contributions, gifts, grants paid	684,533.33			684,533.33	
26 Total expenses and disbursements. Add lines 24 and 25	808,574.78	84,871.51		720,533.33	
27 Subtract line 26 from line 12	<963,792.22>				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		316,994.44			
c Adjusted net income (if negative, enter -0-)			N/A		

SCANNED MAY 24 2012
Operating and Administrative Expenses

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	32,930.07	67,839.14	67,839.14
	2 Savings and temporary cash investments	130,937.38	224,481.03	224,481.03
	3 Accounts receivable ▶ 5,458.91			
	Less allowance for doubtful accounts ▶	5,709.65	5,458.91	5,458.91
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 8	6,517,135.47	5,867,845.20	10,559,592.26
	c Investments - corporate bonds Stmt 9	1,496,652.00	1,809,798.48	1,979,549.40
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other Stmt 10	2,848,419.56	2,088,331.55	1,988,589.61	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶ Prepaid excise tax)	0.00	3,200.00	3,200.00	
16 Total assets (to be completed by all filers)	11,031,784.13	10,066,954.31	14,828,710.35	
Liabilities	17 Accounts payable and accrued expenses	1,037.60		
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	1,037.60	0.00	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.00	0.00	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	10,565,258.12	10,565,258.12		
29 Retained earnings, accumulated income, endowment, or other funds	465,488.41	<498,303.81>		
30 Total net assets or fund balances	11,030,746.53	10,066,954.31		
31 Total liabilities and net assets/fund balances	11,031,784.13	10,066,954.31		

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	11,030,746.53
2 Enter amount from Part I, line 27a	2	<963,792.22>
3 Other increases not included in line 2 (itemize) ▶	3	0.00
4 Add lines 1, 2, and 3	4	10,066,954.31
5 Decreases not included in line 2 (itemize) ▶	5	0.00
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	10,066,954.31

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 Schedule 3	P	Various	Various
b Schedule 3	P	Various	Various
c Capital Gains Dividends			
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 323,050.01		365,180.61	<42,130.60>
b 1,940,277.06		2,510,329.62	<570,052.56>
c 55,099.77			55,099.77
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV 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			<42,130.60>
b			<570,052.56>
c			55,099.77
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	<557,083.39>
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) If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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 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	747,833.34	14,339,924.10	.052150
2009	788,000.00	13,275,206.57	.059359
2008	776,500.00	15,963,605.73	.048642
2007	155,750.00	16,978,071.59	.009174
2006	218,040.00	14,843,095.72	.014690

2 Total of line 1, column (d)	2	.184015
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	.036803
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	15,186,555.17
5 Multiply line 4 by line 3	5	558,910.79
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,169.94
7 Add lines 5 and 6	7	562,080.73
8 Enter qualifying distributions from Part XII, line 4	8	720,533.33

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)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	3,169.94
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.00
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		3	3,169.94
3 Add lines 1 and 2		4	0.00
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		5	3,169.94
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-			
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	7,520.00	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	7,520.00	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,350.06	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input checked="" type="checkbox"/> 3,200.00 Refunded <input type="checkbox"/>	11	1,150.06	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ 0.00 (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.00		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ 0.00		
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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
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?	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.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> TX		
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	X	
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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

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? Website address ► N/A	13	X	
14	The books are in care of ► Freemon, Shapard & Story Telephone no ► 940-322-4436 Located at ► 807 8th St., 2nd Floor, Wichita Falls, TX ZIP+4 ► 76301			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
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	X
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
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) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)?

☐ 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)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

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

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

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

N/A

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

5b

6b

7b

X

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.

(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
Schedule 7				
	0.00	60,000.00	0.00	0.00
Schedule 7				
	0.00	0.00	0.00	0.00

2 Compensation of five highest-paid employees (other than those included on line 1). 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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Bank of America	Investment Fees	47,098.11
Total number of others receiving over \$50,000 for professional services		0

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

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	
Total. Add lines 1 through 3	0.00

Form 990-PF (2011)

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	15,187,186.26
b	Average of monthly cash balances	1b	225,650.89
c	Fair market value of all other assets	1c	4,985.36
d	Total (add lines 1a, b, and c)	1d	15,417,822.51
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.00
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	15,417,822.51
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	231,267.34
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	15,186,555.17
6	Minimum investment return. Enter 5% of line 5	6	759,327.76

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	759,327.76
2a	Tax on investment income for 2011 from Part VI, line 5	2a	3,169.94
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,169.94
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	756,157.82
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	756,157.82
6	Deduction from distributable amount (see instructions)	6	0.00
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	756,157.82

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	720,533.33
b	Program-related investments - total from Part IX-B	1b	0.00
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	720,533.33
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	5	3,169.94
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	717,363.39

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				756,157.82
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			15,128.51	
b Total for prior years		0.00		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.00			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 720,533.33				
a Applied to 2010, but not more than line 2a			15,128.51	
b Applied to undistributed income of prior years (Election required - see instructions)		0.00		
c Treated as distributions out of corpus (Election required - see instructions)	0.00			
d Applied to 2011 distributable amount				705,404.82
e Remaining amount distributed out of corpus	0.00			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.00			0.00
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.00			
b Prior years' undistributed income Subtract line 4b from line 2b		0.00		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.00		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.00		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.00	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				50,753.00
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.00			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.00			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.00			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
a Paid during the year				
Schedule 6				684,533.33
Total			▶ 3a	684,533.33
b Approved for future payment				
None				
Total			▶ 3b	0.00

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Schedule 1	152.40
Total to Form 990-PF, Part I, line 3, Column A	152.40

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Schedule 2	453,596.74	55,099.77	398,496.97
Total to Form 990-PF, Part I, line 4	453,596.74	55,099.77	398,496.97

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
Schedule 1	3,216.58	3,216.58	
Total to Form 990-PF, Part I, line 11	3,216.58	3,216.58	

Form 990-PF Accounting Fees Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Schedule 1	12,000.00	6,000.00		6,000.00
To Form 990-PF, Pg 1, line 16b	12,000.00	6,000.00		6,000.00

Form 990-PF	Other Professional Fees			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Schedule 1	47,098.11	47,098.11		0.00	
To Form 990-PF, Pg 1, ln 16c	47,098.11	47,098.11		0.00	

Form 990-PF	Taxes			Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Schedule 1	4,873.50	1,703.56		0.00	
To Form 990-PF, Pg 1, ln 18	4,873.50	1,703.56		0.00	

Form 990-PF	Other Expenses			Statement	7
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Schedule 1	69.84	69.84		0.00	
To Form 990-PF, Pg 1, ln 23	69.84	69.84		0.00	

Form 990-PF	Corporate Stock		Statement	8
Description	Book Value	Fair Market Value		
Schedule 4	5,867,845.20	10,559,592.26		
Total to Form 990-PF, Part II, line 10b	5,867,845.20	10,559,592.26		

Form 990-PF	Corporate Bonds	Statement	9
Description	Book Value	Fair Market Value	
Schedule 4	1,809,798.48	1,979,549.40	
Total to Form 990-PF, Part II, line 10c	1,809,798.48	1,979,549.40	

Form 990-PF	Other Investments	Statement	10
Description	Valuation Method	Book Value	Fair Market Value
Schedule 4	COST	2,088,331.55	1,988,589.61
Total to Form 990-PF, Part II, line 13		2,088,331.55	1,988,589.61

Schedule 1

REVENUE AND EXPENSES

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

REVENUE

Contributions received:		
Minnie Rhea Wood Estate, Wichita Falls, TX	\$	
Other		\$
Interest on savings & temporary cash investments		152 40
Dividends and interest from securities - Sch 2		398,496 97
Gain (loss) from sale of assets - Sch 3	\$ (612,183.16)	
Capital gain distributions - Sch 2	<u>55,099 77</u>	(557,083 39)
Other income:		
Gross royalties		<u>3,216 58</u>
Total		\$ (155,217 44)

EXPENSES

Compensation of officers & directors - Sch 7	\$	60,000.00	
Accounting - Freemon, Shapard & Story		12,000 00	
Other professional fees - Bank of America		47,098.11	
Interest			
Taxes:			
Excise	\$	3,169 94	
Foreign		1,555.32	
Severance tax - Royalties		<u>148 24</u>	4,873.50
Other:			
Miscellaneous			69 84
Grants and contributions paid -			
Sch 6		<u>684,533.33</u>	<u>808,574 78</u>
Net revenue in excess of expenses			\$ (963,792 22)
Net worth 12-31-10			<u>11,410,217 67</u>
Net worth 12-31-11			<u>\$ 10,446,425 45</u>

Schedule 2

DIVIDENDS AND INTEREST FROM SECURITIES

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

	<u>Totals</u>	<u>Ordinary</u>	<u>Long Term Capital Gain Distributions</u>
DIVIDENDS			
Aflac	\$ 1,722 00	\$ 1,722 00	\$
Allegheny Technologies, Inc.	272 88	272 88	
Apache Corp.	92.25	92.25	
AT&T, Inc	10,320 00	10,320 00	
Anheuser Busch Inbev SA/NV	496 03	496 03	
Bank New York Mellon	1,584 48	1,584 48	
Bayer Motoren Werk	459 23	459 23	
Blackrock, Inc	1,375.00	1,375 00	
Bombardier, Inc.	643 99	643.99	
CVS Caremark Corp.	835 00	835 00	
Centurytel, Inc	2,170.65	2,170 65	
Cheung Kong Holdings	601 54	601.54	
China High Precision Automation Group	171 44	171.44	
Cimarex Energy	59 92	59 92	
Cisco Systems, Inc	720 00	720 00	
CME Group, Inc	456.40	456 40	
CMG Ultra Short Term Bond Fund	43,167.44	43,167.44	
Coca Cola Co.	648 60	648 60	
Coloplast A/S	348 44	348 44	
Columbia Convertible Security	1,449 59	1,449.59	
Columbia Dividend Income Fund	1,660 37	1,660 37	
Columbia Int'l Value Fund	1,813 05	1,813 05	
Columbia Large Cap Enhanced Core Fund	4,950 59	4,950.59	
Columbia Mid Cap Growth Fund	3,461.45		3,461 45
Columbia Mid Cap Index Fund	32,243 45	7,582.32	24,661 13
Columbia Select Large Cap Growth Fund	859.20		859 20
Columbia Small Cap Core Fund	10,683 83		10,683.83
Columbia Small Cap Index Fund	16,874 48	3,029.70	13,844 78
ConocoPhillips	7,392 00	7,392 00	
Exelon Corp.	7,350 00	7,350 00	
Exxon Mobil	638.25	638.25	
Exxon Mobil	22,200 00	22,200.00	
Fanuc Ltd Japan Sedol	491 69	491.69	
Fast Retailing Co.	411 31	411 31	
Geely Automobile Holdings	108 46	108.46	
General Electric	10,324 00	10,324.00	
Glaxo Wellcome PLC	2,821.10	2,821 10	
Hartford Finl Svcs Group	500.00	500 00	

	Totals	Ordinary	Long Term Capital Gain Distributions
Hewlett Packard Co.	100 00	100.00	
Hong Kong Exchanges & Clearing	278 61	278 61	
Huabao International Holdings	348 25	348.25	
ICICI Bank, Ltd Sponsored ADR	176.96	176 96	
International Business Machines	4,350 00	4,350.00	
Ishares, Inc.	4,892.11	4,892 11	
Jardine Strategic Holdings	300 25	300 25	
Johnson & Johnson	11,250 00	11,250 00	
JP Morgan Chase & Co	500 00	500 00	
Kayne Anderson MLP	5,573 78	5,573 78	
Kubota Corp	93 85	93 85	
Leucadia Natl Corp.	227 50	227 50	
Mastercard, Inc	62.70	62 70	
McDonalds Corp	11,385.00	11,385 00	
McDonalds Corp	353 70	353.70	
Microsoft	2,380 00	2,380 00	
Monsanto Co	500 70	500.70	
Newmont Mng. Corp	46 35	46 35	
NIDEC Corp	292 55	292.55	
Nintendo, Ltd ADR	191 81	191.81	
Noble Group, Ltd	573 64	573 64	
Novozymes A/S B Shares	209.66	209 66	
Novo-Nordisk A/S ADR	612 94	612 94	
NYSE Euronext	65 99	65 99	
Olam Int'l. Ltd	452.00	452.00	
Onex Corp.	107 69	107 69	
Pepsico	29,651 00	29,651 00	
Pfizer, Inc	15,440.00	15,440.00	
Pimco Commodity Real Return Strategy	36,170 24	35,302 19	868 05
Pimco High Yield Fd	4,034.94	4,034 94	
Potash Corp Sask	219 00	219 00	
Praxair	2,800 00	2,800.00	
Qualcomm, Inc	2,087.50	2,087 50	
Republic Services, Inc	667.90	667 90	
Rio Tinto PLC	934.44	934 44	
Rolls-Royce PLC	590.98	590 98	
Select Sector Spdr Tr	388.15	388 15	
Sempra Energy	288 00	288.00	
Staples, Inc	975.00	975 00	
Target Corp	300 00	300.00	
Templeton Global Bd Fund	4,447 58	3,726 25	721.33
Teva Pharmaceutical Inds	4,105.22	4,105 22	
Texas Instruments	10,752 00	10,752 00	
3M Co	10,120.00	10,120 00	
United Technologies	2,424 50	2,424 50	
Unitedhealth Group	857.50	857 50	
UTD O/S Bank	202 64	202.64	
Valero Energy Corp	81.50	81 50	
Vanguard MSCI Emerging Markets	1,472 07	1,472.07	
Waste Mgmt Inc.	2,040 00	2,040 00	

	<u>Totals</u>	<u>Ordinary</u>	<u>Long Term Capital Gain Distributions</u>
Wells Fargo Co	300 00	300 00	
Wiley John & Sons	306 00	306 00	
Wilmar Int'l Ltd	67 36	67.36	
Windstream Corp	<u>1,614 00</u>	<u>1,614 00</u>	
Totals - Dividends	<u>\$ 371,041 67</u>	<u>\$ 315,941 90</u>	<u>\$ 55,099 77</u>

INTEREST

Taxable.

Corporate Bonds.

Abbott Labs	\$ 2,800.00	\$ 2,800 00	\$
Allstate Corp	7,500 00	7,500 00	
Australian Govt	871 43	871.43	
Australian Govt.	2,121.14	2,121 14	
Caterpillar Inc	8,550 00	8,550 00	
General Electric	14,062 50	14,062.50	
International Business Machs Corp	5,700.00	5,700 00	
Lilly Eli & Co	6,000 00	6,000 00	
Procter & Gamble	4,950.00	4,950 00	
SBC Communications	25,500 00	25,500.00	
Wal-Mart Stores Inc	<u>4,500 00</u>	<u>4,500.00</u>	
Total taxable interest	<u>\$ 82,555.07</u>	<u>\$ 82,555 07</u>	<u>\$</u>

Tax-Exempt

None	<u>\$</u>	<u>\$</u>	<u>\$</u>
Totals - Interest	<u>\$ 82,555 07</u>	<u>\$ 82,555 07</u>	<u>\$</u>
Totals - Dividends and interest	<u>\$ 453,596 74</u>	<u>\$ 398,496 97</u>	<u>\$ 55,099 77</u>

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GAIN ON SALES OF ASSETS-SHORT TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
BANK OF AMERICA SEC 1966118							
ALEXION PHARMACEUTICALS I	10/14/2010	9/28/2011	40.00	2,673.74	1,933.64	740.10	.00
ALEXION PHARMACEUTICALS I	5/31/2011	12/09/2011	10.00	650.75	461.15	189.60	.00
AMERICAN SUPERCONDUCTOR C	10/14/2010	1/24/2011	96.00	2,710.97	3,485.21	.00	774.24
AMERICAN SUPERCONDUCTOR C	11/17/2010	6/06/2011	549.00	4,651.09	19,781.39	.00	15,130.30
APACHE CORP	10/14/2010	8/08/2011	20.00	2,339.66	2,037.30	302.36	.00
APACHE CORP	10/14/2010	10/04/2011	185.00	13,912.90	18,845.03	.00	4,932.13
BAYER MOTOREN WERK	10/14/2010	3/11/2011	80.00	6,415.15	5,501.56	913.59	.00
BERKSHIRE HATHAWAY INC	10/14/2010	2/03/2011	5.00	409.37	415.10	.00	5.73
BERKSHIRE HATHAWAY INC	10/14/2010	4/07/2011	30.00	2,480.29	2,490.62	.00	10.33
BORG WARNER INC	10/14/2010	3/28/2011	40.00	2,908.25	2,103.26	804.99	.00
BORG WARNER INC	10/14/2010	8/03/2011	25.00	1,951.85	1,314.54	637.31	.00
CHEUNG KONG (HLDGS)	10/14/2010	2/08/2011	30.00	491.14	500.19	.00	9.05
CHEUNG KONG (HLDGS)	10/14/2010	8/02/2011	40.00	612.55	666.91	.00	54.36
CIMAREX ENERGY CO	10/14/2010	1/28/2011	21.00	2,024.28	1,587.18	437.10	.00
CIMAREX ENERGY CO	10/14/2010	4/25/2011	45.00	4,709.59	3,401.09	1,308.50	.00
CIMAREX ENERGY CO	10/14/2010	8/08/2011	55.00	4,330.23	4,229.12	101.11	.00
CIMAREX ENERGY CO	10/14/2010	8/23/2011	169.00	10,718.70	12,773.00	.00	2,054.30
CME GROUP INC	10/14/2011	8/02/2011	5.00	1,435.00	1,633.58	.00	198.58
CME GROUP INC	8/03/2011	8/03/2011	5.00CR	1,435.00CR	1,633.58CR	198.58	.00
CME GROUP INC	10/14/2010	8/03/2011	5.00	1,435.00	1,435.00	.00	.00
CME GROUP INC	10/14/2010	9/30/2011	15.00	3,739.18	4,739.14	.00	999.96
CME GROUP INC	3/11/2011	12/09/2011	15.00	3,737.13	4,467.77	.00	730.64
CME GROUP INC	12/16/2010	12/14/2011	10.00	2,389.17	2,848.76	.00	459.59

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GAIN ON SALES OF ASSETS-SHORT TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
CME GROUP INC	8/03/2011	12/21/2011	10.00	2,407.97	2,819.15	.00	411.18
FANUC	10/15/2010	1/12/2011	16.00	2,485.20	2,109.47	375.73	.00
FAST RETAILING CO LTD	11/22/2010	8/03/2011	10.00	1,756.68	1,710.05	46.63	.00
GEELY AUTOMOBILE HOLDINGS	10/27/2010	10/03/2011	14,613.00	2,884.88	8,847.61	.00	5,962.73
GEELY AUTOMOBILE HOLDINGS	11/12/2010	10/04/2011	12,388.00	2,389.66	6,194.29	.00	3,804.63
GEELY AUTOMOBILE HOLDINGS	1/28/2011	10/06/2011	13,066.00	2,553.66	5,818.39	.00	3,264.73
HONG KONG EXCHANGES & CLE	10/14/2010	2/17/2011	105.00	2,274.75	2,308.68	.00	33.93
HONG KONG EXCHANGES & CLE	10/14/2010	7/14/2011	110.00	2,291.60	2,418.62	.00	127.02
HONG KONG EXCHANGES & CLE	10/14/2010	8/04/2011	829.00	17,038.05	18,227.60	.00	1,189.55
ICICI BK LTD	10/14/2010	3/01/2011	270.00	11,525.21	14,018.23	.00	2,493.02
ICICI BK LTD	10/14/2010	8/09/2011	285.00	12,374.15	14,797.03	.00	2,422.88
JARDINE STRATEGIC HLDGS L	10/15/2010	2/08/2011	25.00	702.05	694.21	7.84	.00
JARDINE STRATEGIC HLDGS L	10/15/2010	8/03/2011	30.00	977.66	892.89	84.77	.00
JOHNSON & JOHNSON	10/14/2010	1/28/2011	240.00	14,640.53	15,169.20	.00	528.67
KUBOTA CORP	10/15/2010	6/20/2011	1,375.00	11,719.04	13,020.66	.00	1,301.62
LAS VEGAS SANDS CORP	10/14/2010	1/24/2011	55.00	2,574.01	2,102.66	471.35	.00
LAS VEGAS SANDS CORP	10/14/2010	2/03/2011	15.00	696.21	573.45	122.76	.00
LAS VEGAS SANDS CORP	10/14/2010	8/02/2011	20.00	952.08	796.70	155.38	.00
MASTERCARD INC	10/14/2010	2/03/2011	5.00	1,177.40	1,185.27	.00	7.87
MASTERCARD INC	10/14/2010	8/04/2011	10.00	3,013.71	2,533.45	480.26	.00
MASTERCARD INC	10/14/2010	9/28/2011	10.00	3,365.19	2,302.97	1,062.22	.00
MASTERCARD INC	10/14/2010	9/30/2011	5.00	1,593.73	1,117.70	476.03	.00
NEWMONT MNG CORP	10/14/2010	1/10/2011	43.00	2,499.58	2,658.90	.00	159.32
NEWMONT MNG CORP	10/14/2010	1/11/2011	28.00	1,621.28	1,731.38	.00	110.10

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GAIN ON SALES OF ASSETS-SHORT TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
NEWMONT MNG CORP	10/14/2010	4/04/2011	309.00	16,649.34	19,096.81	.00	2,447.47
NINTENDO LTD	10/14/2010	5/11/2011	275.00	8,433.04	9,255.61	.00	822.57
NINTENDO LTD	2/15/2011	5/12/2011	125.00	3,744.93	4,015.62	.00	270.69
NOBLE GROUP LTD	10/15/2010	2/08/2011	435.00	750.40	668.37	82.03	.00
NOBLE GROUP LTD	10/15/2010	8/03/2011	525.00	817.86	861.36	.00	43.50
NOBLE GROUP LTD	8/26/2011	8/26/2011	525.00CR	817.86CR	861.36CR	43.50	.00
NOBLE GROUP LTD	8/26/2011	8/26/2011	525.00	817.86	817.86	.00	.00
NOVO-NORDISK A S	10/14/2010	1/07/2011	25.00	2,848.93	2,517.74	331.19	.00
NOVO-NORDISK A S	10/14/2010	2/03/2011	5.00	564.66	503.55	61.11	.00
NOVO-NORDISK A S	10/14/2010	8/02/2011	10.00	1,236.99	1,231.25	5.74	.00
NOVO-NORDISK A S	10/14/2010	10/07/2011	20.00	1,921.70	2,014.19	.00	92.49
NOVOZYMES A/S	10/15/2010	8/03/2011	5.00	822.91	771.29	51.62	.00
NYSE EURONEXT	10/14/2010	3/11/2011	270.00	9,610.03	7,734.79	1,875.24	.00
NYSE EURONEXT	10/14/2010	3/28/2011	80.00	2,793.95	2,323.54	470.41	.00
NYSE EURONEXT	10/14/2010	4/13/2011	505.00	19,468.39	14,667.32	4,801.07	.00
ONEX CORP	10/15/2010	9/28/2011	55.00	1,733.00	1,608.10	124.90	.00
REGENERON PHARMACEUTICALS	3/11/2011	8/02/2011	15.00	834.63	823.24	11.39	.00
REGENERON PHARMACEUTICALS	3/11/2011	9/08/2011	40.00	2,598.75	2,032.72	566.03	.00
REGENERON PHARMACEUTICALS	3/11/2011	9/28/2011	30.00	1,857.13	1,350.74	506.39	.00
REPUBLIC SVCS INC	10/14/2010	8/16/2011	95.00	2,432.96	3,006.91	.00	573.95
ROLLS-ROYCE GROUP PLC	1/28/2011	12/15/2011	25.00	1,381.72	1,263.00	118.72	.00
ST JOE CO	11/23/2010	10/28/2011	154.00	2,370.34	3,364.02	.00	993.68
ST JOE CO	12/23/2010	10/31/2011	217.00	3,161.26	4,640.24	.00	1,478.98
ST JOE CO	12/23/2010	11/01/2011	209.00	2,874.80	4,469.18	.00	1,594.38

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GAIN ON SALES OF ASSETS-SHORT TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
TIGER AIRWAYS HLDGS LTD	10/15/2010	7/11/2011	8,435.00	7,081.48	12,463.14	.00	5,381.66
UTD O/S BANK	10/15/2010	2/16/2011	915.00	13,293.94	13,010.25	283.69	.00
VALERO ENERGY CORP NEW	10/14/2010	8/08/2011	185.00	4,231.61	4,166.07	65.54	.00
VALERO ENERGY CORP NEW	10/14/2010	8/09/2011	630.00	13,644.34	11,751.20	1,893.14	.00
WILMAR INTL LTD	10/15/2010	8/24/2011	3,630.00	15,085.65	16,548.34	.00	1,462.69

*** BANK OF AMERICA SEC 1966118		***	62,272.00	323,050.01	365,180.61	.00	42,130.60
GRAND TOTALS			62,272.00	323,050.01	365,180.61	.00	42,130.60

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GAIN ON SALES OF ASSETS-LONG TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
BANK OF AMERICA SEC 3065208							
CENTURYLINK INC.	2/13/2008	4/22/2011	.40	16.01	11.71	4.30	.00
COLUMBIA INTL VALUE FD	4/17/2002	8/16/2011	9,384.38	125,000.00	191,469.75	.00	66,469.75
COLUMBIA INTL VALUE FD	4/17/2002	8/29/2011	19,237.26	245,659.71	403,786.54	.00	158,126.83
COLUMBIA INTL VALUE FD	10/14/2009	8/29/2011	1,708.81	21,821.50	25,000.00	.00	3,178.50
COLUMBIA INTL VALUE FD	5/07/2010	8/29/2011	192.32	2,455.92	2,500.00	.00	44.08
COLUMBIAN INTL EQUITY FD	8/08/2002	8/16/2011	11,160.71	125,000.00	181,293.74	.00	56,293.74
COLUMBIAN INTL EQUITY FD	8/08/2002	8/29/2011	14,014.25	149,672.15	229,104.41	.00	79,432.26
COLUMBIAN INTL EQUITY FD	5/07/2010	8/29/2011	243.66	2,602.28	2,500.00	102.28	.00
COLUMBIA LG CAP GROWTH FU	10/31/2008	8/29/2011	2,018.25	44,542.87	37,500.00	7,042.87	.00
COLUMBIA MID CAP INDEX FU	7/29/2009	8/29/2011	9,596.93	100,000.00	76,487.53	23,512.47	.00
CMG ULTRA SHORT TERM BOND	5/03/2007	9/07/2011	12,000.00	108,000.00	115,800.00	.00	7,800.00
CMG ULTRA SHORT TERM BOND	5/03/2007	9/29/2011	22,271.71	200,000.00	214,922.05	.00	14,922.05
CMG ULTRA SHORT TERM BOND	5/03/2007	11/15/2011	44,493.88	400,000.00	429,365.96	.00	29,365.96
COLUMBIA LG CAP ENHANCED	7/29/2009	8/29/2011	17,182.13	199,828.18	163,745.71	36,082.47	.00
HARTFORD FINL SVCS GROUP	9/24/2004	8/31/2011	2,000.00	33,469.35	155,824.20	.00	122,354.85
HEWLETT PACKARD CO	8/25/2010	8/31/2011	500.00	12,366.51	19,797.50	.00	7,430.99
SELECT SECTOR SPDR TR FIN	12/12/2007	5/11/2011	1,350.00	21,862.82	42,804.72	.00	20,941.90
SELECT SECTOR SPDR TR FIN	12/12/2007	8/31/2011	3,500.00	43,838.75	110,975.20	.00	67,136.45
ABBOTT LABS	9/08/2008	5/16/2011	.00	100,000.00	105,147.00	.00	5,147.00
*** BANK OF AMERICA SEC 3065208		***	170,854.69	1,936,136.05	2,508,036.02	.00	571,899.97
BANK OF AMERICA SEC 1966118							
ALEXION PHARMACEUTICALS I	10/14/2010	12/09/2011	35.00	2,277.63	1,175.91	1,101.72	.00

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FAIN FOUNDATION

(SB-GS)
PAGE 2

GAIN ON SALES OF ASSETS-LONG TERM 2011

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NO. OF SHARES	SALES PRICE	COST OR BASIS	GAIN	<LOSS>
MASTERCARD INC	10/14/2010	12/06/2011	5.00	1,863.38	1,117.69	745.69	.00
*** BANK OF AMERICA SEC 1966118	***		40.00	4,141.01	2,293.60	1,847.41	.00
GRAND TOTALS			170,894.69	1,940,277.06	2,510,329.62	.00	570,052.56

Schedule 4

BALANCE SHEET

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

	Cost		Market
	12-31-10	12-31-11	Value
ASSETS			
Cash.			
Checking	\$ 32,930 07	\$ 67,839 14	\$ 67,839 14
Certificates and daily cash funds	130,937 38	224,481.03	224,481.03
Accounts receivable	5,709.65	5,458 91	5,458 91
Investments:			
Corporate stocks - Sch. 5	6,517,135 47	5,867,845 20	10,559,592 26
Corporate bonds - Sch 5	1,496,652 00	1,809,798 48	1,979,549 40
Other - Sch 5	2,848,419 56	2,088,331 55	1,988,589.61
Other assets			
Prepaid excise tax		3,200.00	3,200 00
Purchased interest			
Total assets	<u>\$ 11,031,784.13</u>	<u>\$ 10,066,954 31</u>	<u>\$ 14,828,710 35</u>
LIABILITIES AND EQUITY			
Liabilities			
Excise tax payable	<u>\$ 1,037 60</u>	<u>\$</u>	
Total liabilities	<u>\$ 1,037 60</u>	<u>\$</u>	
Equity.			
Principal fund	\$ 10,565,258 12	\$ 10,565,258 12	
Income fund	<u>465,488 41</u>	<u>(498,303 81)</u>	
Total equity	<u>\$ 11,030,746 53</u>	<u>\$ 10,066,954 31</u>	
Total liabilities and equity	<u>\$ 11,031,784.13</u>	<u>\$ 10,066,954 31</u>	

Schedule 5

INVESTMENTS - SECURITIES

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

Description	Rate	Maturity Date	Par Value/ Shares	Basis		Fair Market Value
				12-31-10	12-31-11	
Corporate stock						
BOA Account #3065208						
Aflac			1,400 00	\$ 61,261 21	\$ 61,261 21	\$ 60,564 00
AT&T			6,000 00	145,462.26	145,462.26	181,440 00
Apple, Inc.			1,000 00	122,415 50	122,415 50	405,000.00
Bank New York Mellon Corp.			3,301 00	109,207 13	109,207.13	65,722 91
Blackrock, Inc			500.00		78,970 25	89,120 00
Centurylink, Inc.			998 00		28,248 29	37,125.60
Cisco Systems			4,000.00	67,159 71	67,159.71	72,320 00
Columbia Convertible Securities Fund			3,194 21	37,500.00	37,500 00	43,696 72
Columbia Dividend Income Fund			5,021.98	52,500 00	52,500.00	68,399 34
Columbia Int'l Value Fund			30,522 77	622,756.29		
Columbia Large Cap Enhanced Core			19,082 14	345,598 47	181,852 76	235,664.39
Columbia Large Cap Growth Fund			2,018 25	37,500 00		
Columbia Mid Cap Growth Fund			4,191 83	77,500 00	77,500.00	103,370 53
Columbia Mid Cap Index Fund			45,762 51	441,214.73	364,727.20	488,285.97
Columbia Multi-Advisor Int'l			25,418.62	412,898.15		
Columbia Select Large Cap Growth Fund			4,191.24	37,500 00	37,500 00	50,378 69
Columbia Small Cap Core Fund			18,876 03	207,636.32	207,636 32	280,686 55
Columbia Small Cap Index Fund			15,745 24	193,194 09	193,194.09	257,749 58
ConocoPhillips			2,800.00	154,491 56	154,491.56	204,036 00
CVS Caremark			1,670.00	37,196 97	37,196.97	68,102 60
Exelon			3,500 00	171,586 24	171,586 24	151,795 00
ExxonMobil			12,000 00	31,053 47	31,053.47	1,017,120.00
General Electric			17,800 00	263,774 49	263,774.49	318,798 00
Glaxo Smithkline			1,300 00	65,230 70	65,230.70	59,319.00
Hartford Financial Svcs			2,000 00	155,824 20		
Hewlett Packard Co.			500 00	19,797 50		
IBM			1,500 00	126,598.94	126,598 94	275,820.00
IShares			5,000 00		210,847.50	194,650 00
Johnson & Johnson			5,000 00	198,533 77	198,533 77	327,900 00
JP Morgan Chase			2,000.00		71,182 20	66,500 00
Kayne Anderson MLP Invt Co.			5,000 00	97,054 02	126,408.29	151,850 00
McDonalds			4,500.00	135,483 97	135,483 97	451,485 00
Microsoft			3,500 00	91,289 03	91,289.03	90,860 00
Pepsico			14,900.00	8,047 58	8,047 58	988,615 00
Pfizer			19,300 00	6,981 63	6,981.63	417,652 00
Pimco Commodity Real Return			25,037 36		225,000 00	163,744 39
Pimco High Yield Fund			17,006.80		150,000 00	152,721 09
Potash Corp			900 00	40,971 24	40,971 24	37,152 00
Praxair			1,400 00	70,497.83	70,497 83	149,660 00
Qualcomm			2,500 00	99,064 41	99,064 41	136,750.00
Qwest Communications			6,000 00	28,740.00		
Rio Tinto PLC			800.00	34,654 09	34,654.09	39,136 00
Select Sector Spdr Tr Financials			4,850 00	153,779 92		

Description	Rate	Maturity Date	Par Value/ Shares	Basis		Fair Market Value
				12-31-10	12-31-11	
Sempra Energy			600.00		30,157.26	33,000.00
Staples			2,500.00	54,038.98	54,038.98	34,725.00
Target Corp			1,000.00		50,413.00	51,220.00
Templeton Global Bd Fund			9,130.75		125,000.00	112,947.40
Teva Pharmaceutical			4,600.00	174,248.25	174,248.25	185,656.00
Texas Instruments			19,200.00	35,913.50	35,913.50	558,912.00
3M Co			4,600.00	31,197.21	31,197.21	375,958.00
United Technologies			1,300.00	68,969.52	68,969.52	95,017.00
Unitedhealth Group			1,400.00	79,280.40	79,280.40	70,952.00
Vanguard Int'l. Equity Index Funds			1,435.00	59,064.60	59,064.60	54,831.35
Waste Management			1,500.00	44,239.83	44,239.83	49,065.00
Wells Fargo & Co.			2,500.00		60,687.50	68,900.00
Windstream Corp			1,614.00	18,120.19	18,120.19	18,948.36
Total				\$ 5,527,027.90	\$ 4,915,358.87	\$ 9,613,322.47
BOA Account #1966118.						
Alexion Pharmaceuticals, Inc			405.00	\$ 14,782.86	\$ 13,606.95	\$ 28,957.50
Allegheny Technologies, Inc.			529.00	16,327.87	24,669.44	25,286.20
American Superconductor Corp.			645.00	23,266.60		
Anheuser Busch Inbev SA/NV			420.00	18,846.42	25,646.22	25,615.80
Apache Corp.			205.00	20,882.33		
Bayer Motoren Werk			310.00	22,693.93	22,254.22	20,829.59
Berkshire Hathaway, Inc			305.00	25,736.42	24,989.08	23,271.50
Bombardier, Inc			6,503.00	32,042.00	33,924.91	25,699.86
Borg Warner, Inc			341.00	21,348.13	17,930.33	21,735.34
Cheung Kong			1,575.00	25,163.16	24,681.07	18,737.92
China High Precision Automation			24,263.00		19,921.28	8,387.96
Cimarex Energy Co			285.00	21,540.27		
CME Group, Inc			59.00	17,217.63	15,404.84	14,376.53
Coca Cola Co			345.00	20,522.32	20,522.32	24,139.65
Coloplast A/S - B			140.00	10,098.88	19,523.95	20,197.89
Enstar Group, Ltd			260.00	13,893.33	21,533.64	25,532.00
Exxon Mobil Corp.			345.00	22,333.57	22,333.57	29,242.20
Fanuc			184.00	26,368.42	24,258.95	28,171.56
Fast Retailing Co Ltd			230.00	20,999.46	34,030.61	41,850.79
Geely Automobile Holdings Ltd			19,978.00	11,570.38		
Google, Inc			30.00		16,142.55	19,377.00
Hong Kong Exchanges & Clearing			1,044.00	22,954.90		
Huabao International Holdings			21,285.00	30,041.94	34,609.39	10,880.04
Icici Bk Ltd			555.00	28,815.26		
Jardine Strategic Holdings, Ltd			1,400.00	39,431.36	38,885.97	38,738.00
Johnson & Johnson			240.00	15,169.20		
Kubota Corp.			1,080.00	10,278.54		
Las Vegas Sands Corp			928.00	34,139.57	35,658.90	39,653.44
Leucadia Nat'l. Corp.			975.00	10,955.45	26,660.54	22,171.50
Li & Fung, Ltd			9,125.00		18,196.38	16,895.03
Mastercard, Inc.			82.00	25,206.99	18,298.09	30,571.24
McDonalds Corp			270.00		22,054.06	27,089.10
Monsanto Co			465.00	22,650.16	25,062.10	32,582.55
Newmont Mng Corp.			380.00	23,487.09		
Nidec Corp			328.00	17,331.11	31,787.87	28,519.89

Description	Rate	Maturity Date	Par Value/ Shares	Basis		Fair Market Value
				12-31-10	12-31-11	
Nintendo Ltd.			305 00	9,798 12		
Noble Group Ltd			25,025.00	35,623.41	37,605 33	21,808 54
Novo-Nordisk A/S			305 00	35,751 91	30,716 43	35,154 30
Novozymes A/S			925 00	17,481 39	24,297.08	28,644.97
NYSE Euronext			855 00	24,835 16		
Olam Int'l Ltd			11,725.00	15,381 59	26,483.05	19,260 54
Onex Corp			911 00	28,244 11	26,636.01	30,163 21
Republic Svcs. Inc.			745.00	26,223.87	23,216.96	20,524 75
Regeneron Pharmaceuticals			450.00		17,797 86	24,943.50
RHJ Int'l.			2,405 00	17,825.98	19,580.70	10,958 38
Rockwell Automation, Inc.			185.00		14,022 32	13,573 45
Rolls-Royce Group PLC			507 00	23,536 46	24,395 30	29,409.55
Senomyx, Inc			2,153 00	7,726 23	10,696 21	7,492 44
Shinsei Bk Ltd			19,080 00		22,147.75	19,838 81
St. Joe Co			580 00	12,473.44		
Tiger Airways Hldgs Ltd			8,435 00	12,463 14		
UTD O/S Bank			1,265 00	13,010 25	21,852.33	14,897.27
Valero Energy Corp New			728 00	13,814 38		
Wiley John & Sons			475 00	18,191.49	20,451 77	21,090 00
Wilmar Int'l Ltd			2,475.00	11,631 09		
Total				\$ 990,107.57	\$ 952,486.33	\$ 946,269 79
Total corporate stock				\$ 6,517,135 47	\$ 5,867,845 20	\$ 10,559,592 26
Corporate bonds:						
BOA Account #3065208						
Abbott Labs	5 600%	05/15/11	100,000 00	\$ 105,147 00	\$	\$
Allstate Corp.	7.500%	06/15/13	100,000 00	110,485 00	110,485 00	107,789 00
Australian Govt. Bd.	5 750%	04/15/12	200,000.00		205,291.83	206,075.12
Australian Govt. Bd.	6 500%	05/15/13	200,000 00		213,001 65	213,827 28
Caterpillar, Inc	5 700%	08/15/16	150,000.00	144,577 50	144,577 50	176,019.00
General Electric	5 625%	05/01/18	250,000 00	222,657.50	222,657 50	280,000 00
IBM	5.700%	09/14/17	100,000 00	99,317 00	99,317 00	121,088.00
Lilly Eli & Co	6 000%	03/15/12	100,000 00	107,561.00	107,561 00	101,088 00
Procter & Gamble	4 950%	08/15/14	100,000.00	104,495.00	104,495 00	110,955.00
SBC Communications	5 100%	09/15/14	500,000 00	501,300 00	501,300 00	550,720.00
Walmart Stores	4 500%	07/01/15	100,000 00	101,112 00	101,112 00	111,988.00
Total corporate bonds				\$ 1,496,652 00	\$ 1,809,798.48	\$ 1,979,549 40
Other:						
BOA Account #3065208:						
CMG Ultra Short Term Bond Fund			221,693 38	\$ 2,848,419.56	\$ 2,088,331.55	\$ 1,988,589 61
Total investments				\$ 10,862,207.03	\$ 9,765,975 23	\$ 14,527,731 27

Schedule 6

CONTRIBUTIONS PAID

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

<u>Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
Arts Council, Wichita Falls Area	Wine Tasting	\$ 1,000 00
The Kemp at The Forum	Capital Campaign	50,000 00
2120 Speedway Ave	Mystery Art Festival	5,000 00
Wichita Falls, Texas 76308		
ARC of Wichita County	Operating Budget	1,200.00
3115 Buchanan Street		
Wichita Falls, Texas 76308		
American Cancer Society	Cattle Baron's Ball	15,000 00
3808 Kemp Blvd , Suite B		
Wichita Falls, Texas 76308		
Big Brothers Big Sisters	Operating Budget	10,000 00
450 E John Carpenter Fwy		
Irving, TX 75062		
Boys & Girls Clubs of Wichita Falls, Inc	Operating Budget	1,000.00
1318 Sixth Street	Roofing Project	20,000 00
Wichita Falls, Texas 76301		
Camp Fire Council of North Texas	Operating Budget	5,000.00
2414 Ninth Street		
Wichita Falls, Texas 76309		
Child Advocates	5K Run	1,000.00
808 Austin Street		
Wichita Falls, Texas 76301		
Child Care, Inc.	Operating Budget	10,000.00
1000 Lamar, Suite 432		
Wichita Falls, TX 76301		
Christian Women's Job Corps	Volunteer Appreciation	1,000 00
2301 Ninth Street	Banquet	
Wichita Falls, Texas 76301		
Christmas in Action	Operating Budget	1,000.00
P. O Box 8464	Building Materials	2,500 00
Wichita Falls, Texas 76307		

<u>Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
Community Partners Rainbow House 1411 Tenth Street, Ste A Wichita Falls, Texas 76301	Operating Budget	5,000 00
Faith Refuge for Women P O. Box 965 Wichita Falls, Texas 76307	Capital Campaign	65,000 00
Friendly Door Senior Center of Iowa Park 810 North Third Street Iowa Park, Texas 76367	Flooring Project Building Fund	1,000 00 2,000 00
Girls Scouts of Texas Oklahoma Plains 4901 Briarhaven Road Fort Worth, Texas 76109	Operating Budget	1,000 00
Hospice of Wichita Falls, Inc. P. O Box 4804 Wichita Falls, Texas 76308	Capital Campaign Operating Budget	33,333 33 5,000 00
Inheritance Adoptions 1007 Eleventh Street Wichita Falls, Texas 76301	Operating Budget	5,000 00
Interfaith Ministries 1006 11th St. Wichita Falls, Texas 76301	Operating Budget Prescription Assistance	1,000 00 1,000.00
Junior League of Wichita Falls 2302 Midwestern Parkway Wichita Falls, Texas 76308	Falls Fest Christmas Magic	6,000 00 5,000 00
Kairos Prison Ministry International 2500 Ashbury Drive Arlington, Texas 76015	Weekend Outreach Program	2,000.00
Midwestern State University Museum of Art 3410 Taft Blvd. Wichita Falls, Texas 76308	Building Renovation	250,000.00
Museum of North Texas History P O Box 1619 Wichita Falls, Texas 76307-1619	Operating Budget	1,000.00
Nonprofit Management Center of Wichita Falls 2301 Kell Blvd , Ste 218 Wichita Falls, Texas 76308	Operating Budget	10,000 00

<u>Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
North Texas Rehabilitation Center, Inc 1005 Midwestern Parkway Wichita Falls, Texas 76302	Rehab Auction	10,000.00
Northwest Texas Council Boy Scouts of America 3604 Maplewood Wichita Falls, Texas 76308	Operating Budget	2,500 00
Patsy's House 1411 10th Street Wichita Falls, Texas 76301	"Tell, Tell, Tell" Program	5,000.00
River Bend Nature Center 2200 3rd Street Wichita Falls, Texas 76301	Executive Director Fund Operating Budget	3,000 00 25,000 00
Senior Citizens of North Texas 1008 Burnett St Wichita Falls, Texas 76301	Operating Budget	1,000 00
Sheppard Military Affairs Committee 900 8th Street, Suite 218 Wichita Falls, Texas 76307	Operating Budget	15,000 00
Texas Blood Institute 1001 N. Lincoln Blvd. Oklahoma City, OK 73104	Bloodmobile	10,000 00
United Way of Greater Wichita Falls 624 Indiana, Suite 304 Wichita Falls, Texas 76301-2584	Project Back to School Operating Budget	5,000.00 10,000 00
Wichita Falls Alliance for the Mentally Ill 4210 Kell Blvd , Suite 212 Wichita Falls, Texas 76309	Operating Budget	10,000 00
Wichita Falls Area Community Foundation 807 8th Street, Suite 750 Wichita Falls, Texas 76301	1921 Foundation Fd Pride in the Falls Fd. Volunteer Fire Dept Fd. Hands to Hands Fd	18,000 00 15,000 00 10,000.00 12,500.00
Wichita Falls Area Food Bank P. O. Box 623 Wichita Falls, Texas 76307	Kids Café	5,000 00
Wichita Falls Ballet Theatre 1717 Grant Street Wichita Falls, Texas 76309	Maintenance Fund	2,000 00

-4 Sch. 6 - Cont'd - The Fain Foundation - Year 2011

<u>Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
Wichita Falls Symphony Orchestra P O. Box 3502 Wichita Falls, Texas 76301	Operating Budget	5,000.00
Wichita Falls Youth Symphony Orchestra 1300 Lamar Wichita Falls, Texas 76301	Operating Budget	500 00
YMCA 1010 Ninth Street Wichita Falls, Texas 76309	Operating Budget	3,000.00
Total contributions		<u>\$ 684,533 33</u>

Note All of the above organizations are qualified public charities or governmental entities.

Schedule 7

LIST OF OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS
AND THEIR COMPENSATION

THE FAIN FOUNDATION - TIN 75-6016679

Year 2011

	Title, and Average Hours Per Week Devoted to Position	Contributions to Employee Benefit Plans	Expense Account, Other Allowances	Compensation
<u>Officers and Directors - Part VIII</u>				
Martha Fain Wichita Falls, Texas	Pres , Treas & Director (1)	\$	\$	\$ 12,000.00
Mac W Cannedy, Jr. Wichita Falls, Texas	Vice-Pres , Sec , & Director (1)			12,000 00
Dennis D Cannedy Wichita Falls, Texas	Director (1)			12,000 00
Ann K Kouri Wichita Falls, Texas	Director (1)			12,000.00
John M. Kelly Wichita Falls, Texas	Director (1)			12,000.00
		\$	\$	\$ 60,000 00

Foundation Managers - Part XV

Martha Fain
Wichita Falls, Texas

(1) Time devoted to position - Nominal