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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2011

Department of the Treasury
Internal Revenue Service

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2011, or tax year beginning , 2011, and ending

Name of foundation MICHAEL A. OBANNON FOUNDATION		A Employer identification number 94-3216555
Number and street (or P.O. box number if mail is not delivered to street address) 2275 E DESERT INN RD		B Telephone number (see the instructions) (702) 693-6789
City or town Las Vegas		
State ZIP code NV 89169		
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		C If exemption application is pending, check here <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		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 10,117,592.		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <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) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc., received (att sch)				
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	287.	287.		
	4 Dividends and interest from securities	252,706.	252,706.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
ADMINISTRATIVE AND EXPENSES	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) OIL & GAS ROYALTIES	15,183.	15,183.		
	12 Total. Add lines 1 through 11	268,176.	268,176.		
	13 Compensation of officers, directors, trustees, etc	78,000.	37,500.		40,500.
	14 Other employee salaries and wages	7,181.			7,181.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) L-16a Stmt	0.	0.		
	b Accounting fees (attach sch) L-16b Stmt	20,212.	20,212.		
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	10,330.	2,869.		3,418.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy	8,801.			8,801.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	1,590.	686.		904.	
24 Total operating and administrative expenses. Add lines 13 through 23	126,114.	61,267.		60,804.	
25 Contributions, gifts, grants paid	378,976.			378,976.	
26 Total expenses and disbursements. Add lines 24 and 25	505,090.	61,267.		439,780.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-236,914.				
b Net investment income (if negative, enter -0-)		206,909.			
c Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing		0.	0.	0.
	2	Savings and temporary cash investments		225,444.	233,531.	233,531.
	3	Accounts receivable				
		Less allowance for doubtful accounts				
	4	Pledges receivable				
		Less allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U.S. and state government obligations (attach schedule)		0.	0.	0.
	b	Investments — corporate stock (attach schedule) L-10b Stmt		3,834,034.	3,834,034.	7,468,401.
	c	Investments — corporate bonds (attach schedule) L-10c Stmt		863,353.	863,353.	673,835.
	LIABILITIES	11	Investments — land, buildings, and equipment basis			
		Less accumulated depreciation (attach schedule)				
12		Investments — mortgage loans L-12 Stmt		261,977.	261,977.	13,099.
13		Investments — other (attach schedule) L-13 Stmt		1,720,000.	1,475,000.	1,474,642.
14		Land, buildings, and equipment basis	247,407.			
		Less accumulated depreciation (attach schedule) L-14 Stmt	0.	247,407.	247,407.	247,407.
15		Other assets (describe L-15 Stmt)		6,677.	6,677.	6,677.
16		Total assets (to be completed by all filers — see the instructions Also, see page 1, item I)		7,158,892.	6,921,979.	10,117,592.
17		Accounts payable and accrued expenses				
18		Grants payable				
NET ASSETS OR FUND BALANCES	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe L-22 Stmt)		0.	0.	
	23	Total liabilities (add lines 17 through 22)		0.	0.	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	<input type="checkbox"/>			
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>			
27	Capital stock, trust principal, or current funds					
28	Paid-in or capital surplus, or land, building, and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds		7,158,892.	6,921,979.		
30	Total net assets or fund balances (see instructions)		7,158,892.	6,921,979.		
31	Total liabilities and net assets/fund balances (see instructions)		7,158,892.	6,921,979.		

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	7,158,892.
2	Enter amount from Part I, line 27a	2	-236,914.
3	Other increases not included in line 2 (itemize) <u>rounding error</u>	3	1.
4	Add lines 1, 2, and 3	4	6,921,979.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	6,921,979.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a CD's all sold at par: Jan-Dec 2011		P	01/01/11	12/31/11
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 2,242,000.		2,242,000.	0.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			0.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	— [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	0.
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	0.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

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

1 Enter the appropriate amount in each column for each year, see 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 (column (b) divided by column (c))
2010	433,479.	9,000,812.	0.048160
2009	551,357.	8,889,772.	0.062022
2008	582,393.	10,991,107.	0.052988
2007	547,692.	12,073,864.	0.045362
2006	523,006.	11,007,414.	0.047514

2 Total of line 1, column (d)	2	0.256046
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	0.051209
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	9,989,773.
5 Multiply line 4 by line 3	5	511,566.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,069.
7 Add lines 5 and 6	7	513,635.
8 Enter qualifying distributions from Part XII, line 4	8	439,780.

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 <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	4,138.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	4,138.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	4,138.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	4,000.	
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	4,000.	
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	1.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed <i>check attached</i>	9	139.	
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 Refunded	11		

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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c 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 \$ _____ (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? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) NV – Nevada		
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? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 <u>N/A</u>	13		X
14	The books are in care of <u>Mark E. McElroy, EA</u> Telephone no <u>(702) 438-0788</u> Located at <u>4080 E Lake Mead #120, Las Vegas, NV</u> ZIP + 4 <u>89115-6466</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
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 <u></u>	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 type="checkbox"/> Yes <input checked="" 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	
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 <u>20__ , 20__ , 20__ , 20__</u>		
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	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
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)	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

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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**

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

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**7b****b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?**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
RYAN LAWRENCE 2275 E.Desert Inn, LV NV 89109	Trustee 0.00	0.	0.	0.
VICTORIA WILSON 2275 E.Desert Inn, LV NV 89109	Office Aid 10.00	7,181.	0.	0.
Kay F. Alchu (Exec.TSTEE) 2275 E.Desert Inn, LV NV 89109	Grants Mgr. 20.00	37,500.	0.	0.
See Information about Officers, Directors, Trustees, Etc		40,500.	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				
0				
0				
0				
0				

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

None

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		
Total number of others receiving over \$50,000 for professional services		None

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 <u>Expenses (overhead) that are related to the direct costs</u> <u>incurred in conducting the Foundation's charitable activities.</u> Pg.1, Ln.24, col.d	60,804.
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	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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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	9,761,391.
b Average of monthly cash balances	1b	353,318.
c Fair market value of all other assets (see instructions)	1c	27,193.
d Total (add lines 1a, b, and c)	1d	10,141,902.
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	10,141,902.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	152,129.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	9,989,773.
6 Minimum investment return. Enter 5% of line 5	6	499,489.

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	499,489.
2a Tax on investment income for 2011 from Part VI, line 5	2a	4,138.	
b Income tax for 2011 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c	4,138.	
3 Distributable amount before adjustments Subtract line 2c from line 1	3	495,351.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	495,351.	
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	495,351.	

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	439,780.
b Program-related investments — total from Part IX-B	1b	
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	439,780.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	439,780.

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

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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				495,351.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			378,976.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2011:				
a From 2006	0.			
b From 2007	0.			
c From 2008	0.			
d From 2009	0.			
e From 2010	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 439,780.				
a Applied to 2010, but not more than line 2a			378,976.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2011 distributable amount				60,804.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
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				434,547.
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)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007	0.			
b Excess from 2008	0.			
c Excess from 2009	0.			
d Excess from 2010	0.			
e Excess from 2011	0.			

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

N/A

1a 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII,
line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon

a 'Assets' alternative test – enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c 'Support' alternative test – enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV **Supplementary Information** (Complete this part only if the organization 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))

N/A

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

N/A

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

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

c Any submission deadlines

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

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				
Omaha Schools Foundation 3902 Davenport St Omaha NE 68131	NA	public	education of children CARE OF CHILDREN	5,000.
CANDLELIGHTERS So NV 601 S Rancho # B11 LAS VEGA NV 89106	NA	public	WITH CANCER Housing & care of	0.
Children's Guild So. NV 701 N. Pecos Rd. Las Vegas NV 89101	NA	public	children Vocational Training	5,000.
Foundt'n-Independent Tomorrow 1785 E.Sahara Ave #160 Las Vegas NV 89104	NA	public	Education assistance for disadvantaged	0.
GILCREASE NATURE SANCTUARY 8103 Racel Las Vegas NV 89131	NA	public	SHELTER & Care of WILDLIFE	3,000.
MAYO CLINIC FOUNDATION 13400 E Shea Blvd Scottsdale, AZ 85259	NA	public	MEDICAL Research Battered	270,976.
Shade Tree Shelter PO Box 669 Las Vegas NV 89125	NA	public	children's shelter	10,000.
BARNES JEWISH HOSPITAL One Barnes-Jewish Hosptl Plaza St. Louis MO 63110	NA	public	Hospital medical services	20,000.
THREE SQUARE FOOD BANK 4190 N. PECOS RD LAS VEGAS NV 89115	NA	public	FOOD BANK	5,000.
See Line 3a statement				60,000.
Total				378,976.
b Approved for future payment				
Total				

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

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

[illegible]

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?

b If 'Yes,' complete the following schedule

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

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.

**Sign
Here**

Kay F. Albre
Signature of officer or trustee

6-27-12
Date

* EXECUTIVE Trustee
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

Mark E. McElroy

Preparer's signature

[Signature]

Date _____

06/13/12

Check ☒ if self-employed

PTIN

P00074341

Firm's name

► American Equity, LTD

Firm's EIN ▶

Firm's address

4080 East Lake Mead Blvd. #120

Las Vegas

NV 89115

Phone no

(702) 438-0788

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
EMPLOYER'S EMPLMNT TAXS	6,287.	2,869.		3,418.
990-PF EST TAX PMT	4,000.			
990-PF PRIOR YR TX PMT	43.			
Total	10,330.	2,869.		3,418.

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses.	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
WORKMAN'S COMP. INS	1,170.	310.		860.
BANK & BROKER ACCOUNT FEES	-145.	-145.		
OFFICE SUPPLIES & POSTAGE	44.			44.
FOREIGN DIV TAX PAID	521.	521.		
Total	1,590.	686.		904.

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Kay F. Alchu (Exec. TSTEE) 2275 E. Desert Inn, LV NV 89109	Invest. Mgr. 20.00	37,500.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Mark McElroy 2275 E. Desert Inn, LV NV 89109	Trustee 5.00	3,000.	0.	0.

Total

40,500. 0. 0.

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
GOODFELLOWS at Omaha World Herald Square Omaha NE 68102	NA	public	Services & food for needy family	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 30,000.
BEST FRIENDS 5001 ANGEL CANYON RD KANAB UT 84741	NA	public	Free lodging for families of VA patients	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000.
MODEST NEEDS FOUNDATION 115 E 30th St Fl.1 New York NY 10016	NA	public	Vocational training for disadvantaged people	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 0.
Girls Inc. 2811 North 45th St Omaha, NE 68104	NA	public	Group home for troubled teen girls	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 0.
Nebraska Humane Society 8929 Fort Street Omaha NE 68134	NA	public	Animal shelter, treatment & education	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 10,000.
Omaha Area Food Bank 6824 J Street Omaha NE 68117	NA	public	Food Bank for those in need	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 10,000.
Siena Francis House 1702 Nicholas St Omaha NE 68101	NA	public	Homeless; shelter & food	Person or <input type="checkbox"/> Business <input checked="" type="checkbox"/> 5,000.

Total

60,000.

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
NA	NA	0.	0.		

Total

0.0.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
American Equity, Tax	Bookkeeping, monthly T	20,212.	20,212.		

Form 990-PF, Page 1, Part I

Continued

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
<hr/>					
Total		<u>20,212.</u>	<u>20,212.</u>		

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
BERKSHIRE HATHAWAY	103,577.	152,600.
BP-PLC CORP.	200,218.	311,062.
CHEVRON/TEXACO	196,672.	524,339.
CITI GROUP INC.	61,658.	43,859.
COMCAST CORP	98,397.	94,887.
COSTCO WHOLESALE CORP	99,752.	181,971.
DU PONT, EI (3,100 SHRS)	199,888.	141,918.
DU PONT, EI (3,500 SHRS)	197,286.	160,230.
EXXON MOBIL	872,100.	4,238,000.
FORD MOTOR CO. NEW	181,067.	183,953.
GENERAL ELECTRIC	399,077.	429,840.
INT'L BUSINESS MACH (IBM)	43,916.	73,552.
INT'L FLAVOR & FRAG.	43,221.	52,420.
MIDGARD X; aka (EXABYTE CORP.)	94,864.	0.
NISOURCE, INC	95,775.	85,954.
ROYAL DUTCH PETROLEUM	90,716.	109,635.
THOMAS & BETTS	23,900.	34,671.
VISTEON CORP WTS	0.	231.
VISTEON CORP NEW	11,735.	749.
BLACK ROCK GL ENERGY & RES TST	50,073.	43,643.
CENTRAL SECURITY CORP	48,633.	34,005.
GENERAL AMERICAN INVSTRS.	418,897.	323,033.
PETROL. RESOURCE CORP	130,608.	117,382.
SOURCE CAPITAL INC.	67,704.	56,388.
TRI CONTINENTAL CORP	54,024.	29,997.
BLACK ROCK MUNI. INCOME	50,276.	44,082.
Total	<u>3,834,034.</u>	<u>7,468,401.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
MOTOROLA INC.	48,485.	58,959.
AEGON NV PFD STK	100,000.	88,400.
ALLIANZE SE (4,000 SH)	100,000.	102,124.
FIFTH THIRD CAP TRUST V	100,000.	101,200.
ING GROUP NV	100,343.	64,077.

Form 990-PF, Page 2, Part II, Line 10c

Continued

L-10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
LEHMAN BROTHERS HOLDINGS, PFD	100,000.	0.
MERRILL LYNCH CAP TRUST IV	100,000.	82,360.
MERRILL LYNCH, PRD. CAP TR	200,000.	159,360.
SOURCE CAPITAL, INCD, PFD, CUM	14,525.	17,355.
Total	<u>863,353.</u>	<u>673,835.</u>

Form 990-PF, Page 2, Part II, Line 12

L-12 Stmt

Line 12 - Investments - Mortgage loans:	End of Year	
	Book Value	Fair Market Value
ASPEN FINANCIAL, LN #047-7, MILANO	114,791.	5,739.
ASPEN FINANCIAL, LN #065-1, CORONADO EASTERN	111,472.	5,574.
ASPEN FINANCIAL, LN #330-0 RON BURES DEVL.	35,714.	1,786.
Total	<u>261,977.</u>	<u>13,099.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
MVB BANK, CD-0.20; 1/27/12	95,000.	94,979.
WORLD FINCL NETWORK JUMBO, CD-0.35; 2/10/12	100,000.	99,900.
WRIGHT EXPRESS FINCL, CD-0.35; 4/18/12	95,000.	94,993.
CENTREX BANK & TST	95,000.	94,937.
REPUBLIC BANK, CD-0.40; 4/27/12	100,000.	99,965.
BANK OF CHINA, CD-0.65; 5/17/12	95,000.	95,038.
CITY NATIONAL BANK, CD-0.35; 5/9/12	100,000.	99,934.
GE CAPTL FINCL, CD-0.45; 6/1/12	100,000.	100,018.
GE MONEY BANK, CD-1.20; 6/25/12	95,000.	95,288.
ENER BANK USA, CD-0.35; 8/10/12	100,000.	99,904.
COMPASS BANK, CD-0.35; 8/17/12	100,000.	99,932.
DISCOVER BANK, CD-0.40; 8/17/12	100,000.	99,932.
F&M BANK, CD-0.35; 8/17/12	100,000.	99,932.
STATE BANK INDIA; CD-0.7; 11/23/12	100,000.	99,990.
WORLDS FOREMOST JUMBO, CD-1.00; 3/18/13	100,000.	99,900.
Total	<u>1,475,000.</u>	<u>1,474,642.</u>

Form 990-PF, Page 2, Part II, Line 14

L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
2275 E.Desert Inn Rd, Foundation Office	247,407.	0.	247,407.
Total	<u>247,407.</u>	<u>0.</u>	<u>247,407.</u>

Form 990-PF, Page 2, Part II, Line 15

Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	Fair Market Value
FOUNDATION, OFFICE EQUIPMENT & FURNITURE	0.	0.	0.
FOUNDATION, SET-UP & ORGANIZATION COSTS	6,677.	6,677.	6,677.
Total	<u>6,677.</u>	<u>6,677.</u>	<u>6,677.</u>

Form 990-PF, Page 2, Part II, Line 22

Other Liab Stmt

Line 22 - Other Liabilities:	Beginning Year Book Value	Ending Year Book Value
OTHER LIABILITIES	0.	0.
0		
Total	<u>0.</u>	<u>0.</u>

Supporting Statement of:

Form 990-PF, p1/Line 11(a)-1

Description	Amount
Royalties	15,183.
Total	<u>15,183.</u>

Supporting Statement of:

Form 990-PF, p1/Line 13(a)

Description	Amount
Kay total	75,000.
Mark Total	3,000.
Total	<u>78,000.</u>

Supporting Statement of:

Form 990-PF, p1/Line 13(b)

Description	Amount
Kay 50%	37,500.
Total	<u>37,500.</u>

Supporting Statement of:

Form 990-PF, p2/Line 2(a)

Description	Amount
Wells MNY mkt	195,883.
Bank america checking	29,561.
Total	<u>225,444.</u>

Supporting Statement of:

Form 990-PF, p12/Line 4 Column (d)

Description	Amount
Dividends	209,989.
Bond Interest	32,120.
Bank CD interest	10,597.

Continued

Supporting Statement of:

Form 990-PF,p12/Line 4 Column (d)

Description	Amount
Total	<u>252,706.</u>

Supporting Statement of:

Form 990-PF,p12/Line 7 Column (d)

Description	Amount
Royalties	<u>15,183.</u>
Total	<u>15,183.</u>

2011

Figures shown are taken from monthly FMV balance sheets											
End of MONTH	Line-1(a)		Line-1(a)		CASH: Line-1(b)		Line-1(c)		CROSS CHECK		Running Average Invstmt. Assets
	D: Mortg. Notes	H: Trust Deeds	D: Corp Stocks,	H: Bonds, CDs, US Treasury	D: Money Market	H: & Bank	D: OTHER Assets	H: Real Estate	avg. monthly totals	non-charitable assets	month of yr
JANUARY	74,358.10		9,838,494.58		322,902.87				10,235,755.55		1 10,235,756
FEBRUARY	42,918.50		10,239,397.46		319,811.03				10,602,126.99		2 10,418,941
MARCH	42,918.50		9,888,195.79		599,510.54				10,530,624.83		3 10,456,169
APRIL	26,197.70		10,583,678.61		206,544.89				10,816,421.20		4 10,546,232
MAY	26,197.70		10,356,861.80		99,232.70				10,482,292.20		5 10,533,444
JUNE	26,197.70		10,041,817.69		265,880.37				10,333,895.76		6 10,500,186
JULY	14,884.56		9,562,119.69		549,395.80				10,126,400.05		7 10,446,788
AUGUST	14,884.56		9,329,150.07		240,225.28				9,584,259.91		8 10,338,972
SEPTEMBER	14,884.56		8,942,885.26		277,945.59				9,235,715.41		9 10,216,388
OCTOBER	14,884.56		9,368,870.47		565,616.40				9,949,371.43		10 10,189,686
NOVEMBER	14,884.56		9,368,341.58		559,223.49				9,942,449.63		11 10,167,210
DECEMBER	13,098.86		9,616,879.35		233,530.68				9,863,508.89		12 10,141,902
Bals&Tots	0	326,309.86	0	117,136,692.35	0	4,239,819.64	0	0.00	0	121,702,821.85	
Avg. Mnly Bal		27,192.49		9,761,391.03		353,318.30		0.00		10,141,901.82	
For 12 mo.											
				9,788,583.52							
Line: 1.a.-Average monthly fair market value of securities for (12 mo.)							9,788,583.52				
Line: 1.b.-Average of monthly cash balances (12 mo.)							353,318.30				
Line: 1.c.-FMV calculation for "OTHER" assets (12 mo.)							0.00				
Line: 1.d.				Total of lines 1-a,b,c			10,141,901.82				
Line: 4				Less reasonable cash 1.5%			-152,128.53				
Line: 5							9,989,773.29				
Line: 6 (full yr. rat)				Min. Inv. Rtrn. Rate: full year = 5%			0.05				
Line: 6				Min Inv Return			499,488.66				