Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation: LORE KANN FOUNDATION, INC.	A Employer identification number: 13-3374261
Number and street (or P O. box number if mail is not delivered to street address): 177 OLD CLYDE PARK ROAD — Room/suite:	B Telephone number (see instructions): (406) 224-1049
City or town, state, and ZIP code: LIVINGSTON MT 59047	C If exemption application is pending, check here ▶ ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	D 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 686,374 — J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8	8		
	4 Dividends and interest from securities	16,650	16,650		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-1,744			
	b Gross sales price for all assets on line 6a 945,097				
	7 Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	14,914	16,658	0	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1,250	1,250	1,250	1,250
	c Other professional fees (attach schedule)	7,818	7,818	7,818	7,818
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	596	596	596	596
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	100	100	100	100
	24 **Total operating and administrative expenses.** Add lines 13 through 23	9,764	9,764	9,764	9,764
	25 Contributions, gifts, grants paid	78,450			78,450
	26 **Total expenses and disbursements.** Add lines 24 and 25	88,214	9,764	9,764	88,214
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-73,300			
	b **Net investment income** *(if negative, enter -0-)*		6,894		
	c **Adjusted net income** *(if negative, enter -0-)*			0	

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For Paperwork Reduction Act Notice, see instructions.

HTA

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	18,930	9,082	9,082
	2	Savings and temporary cash investments	33,017		
	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 schedule) ▶			
		Less. allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)	696,363	665,928	677,292
	11	Investments—land, buildings, and equipment: basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	748,310	675,010	686,374
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	748,310	675,010	
	30	**Total net assets or fund balances** (see instructions)	748,310	675,010	
	31	**Total liabilities and net assets/fund balances** (see instructions)	748,310	675,010	

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	748,310
2	Enter amount from Part I, line 27a	2	-73,300
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	675,010
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	675,010

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	ST STOCK SALES	P	1/1/2012	12/31/2012
b	LT STOCK SALES	P	1/1/2009	12/31/2012
c	LONG TERM CAPITAL GAIN DISTRIBUTIONS	P	1/1/2009	12/31/2012
d	28% COLLECTIBLE GAIN	P	1/1/2009	12/31/2012
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	303,215		288,276	14,939
b	637,028		658,565	-21,537
c	4,255			4,255
d	599			599
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				14,939
b				-21,537
c				4,255
d				599
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	-1,744
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 (col. (b) divided by col. (c))
2011	89,633	779,170	0.115037
2010	89,794	780,068	0.115110
2009	88,174	735,482	0.119886
2008	126,990	1,081,308	0.117441
2007	139,550	1,308,031	0 106687

2	**Total** of line 1, column (d)	2	0.574161
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 114832
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	692,470
5	Multiply line 4 by line 3	5	79,518
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	69
7	Add lines 5 and 6	7	79,587
8	Enter qualifying distributions from Part XII, line 4	8	88,214

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b	1	69
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	69
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	69
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
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	0
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	69
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 2013 estimated tax** ▶ — **Refunded** ▶	11	0

Part VII-A — Statements Regarding Activities

		Line	Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(2)** On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MT			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b		
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Robert Forstenzer Telephone no ▶ (406) 224-1049
Located at ▶ 177 Old Clyde park Road Livingston MT ZIP+4 ▶ 59047

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No			
	If "Yes," list the years ▶ 20______ , 20______ , 20______ , 20______			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20______ , 20______ , 20______ , 20______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 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 2012.)	3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

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

5a	During the year did the foundation pay or incur any amount to:		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No	
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No	
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No	
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b N/A
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☒ No	
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.		6b
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No	
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		7b N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
KAREN HASKEL IN NEW ROCHELLE, NY 10801	TREAS 5.00	0		
ROBERT FORSTENZER 177 OLD CP ROAD LIVINGSTON, MT 59047	PRES 5.00	0		
GARY AMBROSE IN NEW YORK, NY 10101	SEC 1.00	0		

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total *number of others receiving over $50,000 for professional services* ▶		

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	688,222
b	Average of monthly cash balances	1b	14,793
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	703,015
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	703,015
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	10,545
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	692,470
6	**Minimum investment return.** Enter 5% of line 5	6	34,624

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	34,624
2a	Tax on investment income for 2012 from Part VI, line 5	2a	69		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	69
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	34,555
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	34,555
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	34,555

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	88,214
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	88,214
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	69
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	88,145

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 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				34,555
2	Undistributed income, if any, as of the end of 2012:				
a	Enter amount for 2011 only			0	
b	Total for prior years: 20 ____, 20 ____, 20 ____				
3	Excess distributions carryover, if any, to 2012:				
a	From 2007 77,073				
b	From 2008 73,745				
c	From 2009 51,552				
d	From 2010 51,649				
e	From 2011 50,786				
f	**Total** of lines 3a through e	304,805			
4	Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 88,214				
a	Applied to 2011, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2012 distributable amount				34,555
e	Remaining amount distributed out of corpus	53,659			
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	358,464			
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				
e	Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f	Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	77,073			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	281,391			
10	Analysis of line 9:				
a	Excess from 2008 73,745				
b	Excess from 2009 51,552				
c	Excess from 2010 51,649				
d	Excess from 2011 50,786				
e	Excess from 2012 53,659				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter: (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 **Information Regarding Foundation Managers:**

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

None

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

None

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

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

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

WRITTEN REQUESTS

c Any submission deadlines:

NONE

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

NONE

Part XV Supplementary Information *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED LISTING VARIOUS LIVINGSTON, MT 59047	NONE		VARIOUS	78,450
Total . . . . ▶ 3a				78,450
b *Approved for future payment*				
Total . . . . ▶ 3b				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14		8
4 Dividends and interest from securities			14		16,650
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory		-1,744			
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		-1,744		0	16,658

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 14,914

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
3	INCOME TO DISTRIBUTE PER FOUNDATION POLICIES.
4	INCOME TO DISTRIBUTE PER FOUNDATION POLICIES
7	INVESTMENT INCOME FOR FOUNDATION DISTRIBUTIONS
8	INVESTMENT INCOME FOR FOUNDATION DISTRIBUTIONS

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	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: [signature] Date: [illegible] Title: PRES

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James Walter	[signature]	6/21/2013		P01254699

Firm's name ▶ Blakely & Walter, P.C. Firm's EIN ▶ 81-0522237

Firm's address ▶ P.O. Box 887, Livingston, MT 59047 Phone no 406-222-2462

Part I, Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	
Short Term CG Distributions	

Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Capital Gains/Losses	945,097	946,841	-1,744
Other sales	0	0	0

	Check "X" to include in Part IV	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improvements	Depreciation	Adjustments	Net Gain or Loss
1	X	ST STOCK SALES				1/1/2012	P	12/31/2012	303,215	288,276					14,939
2	X	LT STOCK SALES				1/1/2009	P	12/31/2012	637,028	658,565					-21,537
3	X	LONG TERM CAPITAL GAIN D				1/1/2009	P	12/31/2012	4,255	0					4,255
4	X	28% COLLECTIBLE GAIN				1/1/2009	P	12/31/2012	599						599

Part I, Line 16b (990-PF) - Accounting Fees

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		1,250	1,250	1,250
1	BLAKELY & WALTER, P.C.	1,250	1,250	1,250

Part I, Line 16b (990-PF) - Accounting Fees

	Disbursements for Charitable Purposes (Cash Basis Only)
	1,250
1	1,250

Part I, Line 16c (990-PF) - Other Professional Fees

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		7,818	7,818	7,818
1	INVESTMENTS COSTS AT BROKERS	7,818	7,818	7,818

Part I, Line 16c (990-PF) - Other Professional Fees

	Disbursements for Charitable Purposes (Cash Basis Only)
	7,818
1	7,818

Part I, Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		596	596	596
1	Real estate tax not included in line 20			
2	Tax on investment income	440	440	440
3	Income tax	156	156	156

Part I, Line 18 (990-PF) - Taxes

	Disbursements for Charitable Purposes
	596
1	
2	440
3	156

Part I, Line 23 (990-PF) - Other Expenses

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
		100	100	100
1	Fund Raising			
2	OFFICE POSTAGE			
3	STATE FEES	100	100	100
4	TRAVEL			
5	BANK CHARGES			

Part I, Line 23 (990-PF) - Other Expenses

	Disbursements for Charitable Purposes
	100
1	
2	
3	100
4	
5	

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

				696,363	665,928	639,327	677,292
	Description	Interest Rate	Maturity Date	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	See Attached List			696,363	665,928	639,327	677,292

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

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
										0	0	0
1	KAREN HASKEL		IN	NEW ROCHELLE	NY	10801		TREAS	5.00	0	0	0
2	ROBERT FORSTENZER		177 OLD CP ROAD	LIVINGSTON	MT	59047		PRES	5.00	0	0	0
3	GARY AMBROSE		IN	NEW YORK	NY	10101		SEC	1.00	0	0	

Contrib - Last year:3

1/1/2012 through 12/31/2012

Date	Description	Memo	Amount
Animal Welfare League			**-1,000.00**
1/28/2012	Animal Welfare League	486 Bedford RE Armonk NY 10504	-1,000.00
Benefit For WQW And LFP			**-500.00**
7/25/2012	Benefit For WQW And LFP	415 North B St, Livingston, Mt 59047	-500.00
Better Body Fitness			**-200.00**
6/5/2012	Better Body Fitness	1310 24th St West, Billings, Mt 59102	-200.00
Big Brothers & Sisters of Park Co.			**-3,500.00**
2/6/2012	Big Brothers & Sisters of Park Co.	105 N 2nd St, Livingston, Mt	-2,500.00
12/22/2012	Big Brothers & Sisters of Park Co.	105 N 2nd St, Livingston, Mt	-1,000.00
Billings Clinic			**-500.00**
1/11/2012	Billings Clinic	2800 10th Ave N, Billings, MT 59101	-500.00
Blue Slipper Theatre			**-1,000.00**
2/6/2012	Blue Slipper Theatre	POB 192, Livingston, 59047	-1,000.00
Bobbi And The Strays			**-1,000.00**
11/15/2012	Bobbi And The Strays	POB 170129, Ozone Park, NY 11417	-1,000.00
CASA/GAL			**-2,000.00**
1/11/2012	CASA/GAL	POB 1827, Livingston	-1,000.00
12/22/2012	CASA/GAL	POB 1827, Livingston	-1,000.00
CLARE Foundation			**-500.00**
11/1/2012	CLARE Foundation	909 Pico Blvd, Santa Monica, CA 90405	-500.00
Counterpoint			**-1,000.00**
1/14/2012	Counterpoint	116 E Lewis, Livingston	-1,000.00
Crazy Mountain Productions			**-5,000.00**
11/12/2012	Crazy Mountain Productions	POB 58, Liv, Mt 59047	-5,000.00
D.A.W.G. For Rose Goldfine			**-500.00**
9/19/2012	D.A.W.G. For Rose Goldfine	POB 1894, Hartford, CT 06144	-500.00
Danforth Gallery			**-2,500.00**
8/22/2012	Danforth Gallery	106 N Main, Livingston, Mt 59047	-2,500.00
EGSPC			**-2,000.00**
1/28/2012	EGSPC	9 Woodland Ave,Denville, NJ 07834	-2,000.00
Fraxa-Fragile X Syndrome			**-1,000.00**
1/28/2012	Fraxa-Fragile X Syndrome	45 Pleasant St, Newburyport, NY 01950	-1,000.00
Friends of New Rochelle Library			**-500.00**
1/28/2012	Friends of New Rochelle Library	Lib Plaza NR NY 10801	-500.00
Greyhound Freinds, Inc.			**-6,000.00**
3/13/2012	Greyhound Freinds, Inc.	167 Saddle Hill Rd,Hopkinton,MA	-6,000.00
Hudson Valley Pet Food Pantry			**-3,000.00**

Contrib - Last year:3

1/1/2012 through 12/31/2012

Date	Description	Memo	Amount
9/19/2012	Hudson Valley Pet Food Pantry	POB 1296, White Plains, NY 10602	-3,000.00
Lagond Music School			**-2,000.00**
3/13/2012	Lagond Music School	9 Haven St, Elmsford, NY 10523	-2,000.00
Livingston Center For Art & Culture			**-3,250.00**
1/14/2012	Livingston Center For Art & Culture	POB 1644, Livingston, Mt 59047	-3,250.00
Livingston Food Pantry			**-1,000.00**
1/11/2012	Livingston Food Pantry	112 North m St Livingston MT 59047	-1,000.00
Monroe Lions Charities			**-1,000.00**
10/6/2012	Monroe Lions Charities	POB 10, Monroe, CT 06468	-1,000.00
Montana Human Rights Network			**-1,000.00**
12/22/2012	Montana Human Rights Network	PO Box 9184, Helena, Mt 59604	-1,000.00
NBGSP Rescue			**-1,000.00**
11/15/2012	NBGSP Rescue	11702 Barn Rd,Monrovia,MD 21770	-1,000.00
Northside Park			**-10,000.00**
5/3/2012	Northside Park	POB 556, Livingston, Mt 59047	-10,000.00
Park County Community Foundation			**-10,000.00**
6/5/2012	Park County Community Foundation	POB 2199, 59047	-10,000.00
Park County Environmental Council			**-2,000.00**
1/11/2012	Park County Environmental Council	POB 164 Livingston,MT 59047	-1,000.00
12/22/2012	Park County Environmental Council	POB 164 Livingston,MT 59047	-1,000.00
Sarah Lawrence College			**-2,500.00**
12/22/2012	Sarah Lawrence College	1 Meadway,Bronxville, NY	-2,500.00
SKIP			**-3,000.00**
1/28/2012	SKIP	601 West 26th St 5th Flr,NY NY 10001	-3,000.00
Stafford Animal Shelter			**-5,000.00**
3/20/2012	Stafford Animal Shelter	3 Boulder Business Park 59047	-5,000.00
The Palace Theatre			**-1,000.00**
3/13/2012	The Palace Theatre	61 Atlantic St, Stamford, CT 06901	-1,000.00
Tri-County Network Against Domestic Sex Violence			**-1,000.00**
1/11/2012	Tri-County Network Against Domestic Sex Vi...	P.O. Box 653, Livingston, Mt 59047	-1,000.00
Trust Women			**-2,000.00**
1/11/2012	Trust Women	POB 5 Livingston, Mt 59047	-1,000.00
12/22/2012	Trust Women	POB 5 Livingston, Mt 59047	-1,000.00
Wolf Performing Arts Center			**-1,000.00**
9/19/2012	Wolf Performing Arts Center	POB 434, Narbeth, PA 19072	-1,000.00
		OVERALL TOTAL	**-78,450.00**

LORE KANN FOUNDATION, INC 12/31/2012

SSN: 13-3374261

FORM 990-PF

PART X

LINE 1a:	AVERAGE MONTHLY FMV OF SECURITIES	688,222
LINE 1b:	AVERAGE OF MONTHLY CASH BALANCES	14,793
LINE 1c:	FMV OF OTHER ASSETS	0
	LINE 1d: TOTALS	703,015

	CASH	OTHER	STOCKS
Jan-2012	34,699	0	689,038
Feb-2012	31,200	0	714,535
Mar-2012	15,596	0	717,109
Apr-2012	4,183	0	708,068
May-2012	22,778	0	652,914
Jun-2012	12,579	0	670,756
Jul-2012	12,080	0	679,667
Aug-2012	9,580	0	685,901
Sep-2012	5,081	0	696,915
Oct-2012	4,081	0	691,694
Nov-2012	16,581	0	674,771
Dec-2012	9,082	0	677292
TOTALS	177,520	0	8,258,660
DIVIDED BY 12	14,793	0	688,222

Capital Gains Report - Last year:2

1/1/2012 through 12/31/2012

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
SHORT TERM						
Ishares Tr S&P Midcap 400 Index	175.000	8/18/2011	4/24/2012	15,020.30	15,020.30	0.00
Ishares Tr S&P Midcap 400 Index	175.000	9/6/2011	4/24/2012	15,376.67	15,376.67	0.00
ISHARES NASDAQ BIOTECHNOLOGY	42.000	8/18/2011	4/24/2012	3,931.18	3,931.18	0.00
ISHARES NASDAQ BIOTECHNOLOGY	42.000	9/6/2011	4/24/2012	4,081.54	4,081.54	0.00
First Tr Exchange Traded	105.000	8/18/2011	4/24/2012	3,673.51	3,673.51	0.00
First Tr Exchange Traded	105.000	9/6/2011	4/24/2012	3,790.48	3,790.48	0.00
SPDR SER TR KBW BK ETF	1,200.000	9/6/2011	4/24/2012	23,908.96	23,908.96	0.00
Artio International Equity Fd	53.676	12/28/2011	4/24/2012	1,308.62	1,168.52	140.10
Dodge & Cox International Fund	31.601	12/20/2011	4/24/2012	999.56	914.21	85.35
Janus Overseas Fund	78.395	12/20/2011	4/24/2012	2,743.04	2,505.50	237.54
DWS Gold & Precious Metals Fund	6.865	12/27/2011	4/24/2012	94.12	105.51	-11.39
DWS Gold & Precious Metals Fund	321.175	12/27/2011	4/24/2012	4,403.31	4,936.46	-533.15
US World Precious Minerals	200.824	12/9/2011	4/24/2012	2,391.81	2,903.91	-512.10
T Rowe Price Global Technology	190.261	12/16/2011	4/24/2012	1,992.03	1,674.30	317.73
T Rowe Price Global Technology	77.834	12/16/2011	4/24/2012	814.92	684.94	129.98
T Rowe Price Media & Telecommunications	4.708	12/15/2011	4/24/2012	251.69	214.32	37.37
T Rowe Price Media & Telecommunications	11.690	12/15/2011	4/24/2012	624.95	532.11	92.84
T Rowe Price Media & Telecommunications	59.098	12/15/2011	4/24/2012	3,159.38	2,690.12	469.26
Vanguard Energy Fund	17.407	12/16/2011	4/25/2012	1,019.46	1,002.82	16.64
Vanguard Energy Fund	2.714	12/16/2011	4/25/2012	158.95	156.34	2.61
Vanguard Energy Fund	31.298	12/16/2011	4/25/2012	1,832.99	1,803.05	29.94
Vanguard Energy Fund	0.757	3/21/2012	4/25/2012	44.33	47.85	-3.52
Vanguard Energy Fund	15.972	3/21/2012	4/25/2012	935.41	1,009.74	-74.33
Vanguard Health Care Fund	11.711	12/16/2011	4/25/2012	1,605.90	1,462.59	143.31
Vanguard Health Care Fund	2.392	12/16/2011	4/25/2012	328.01	298 76	29.25
Vanguard Health Care Fund	21.812	12/16/2011	4/25/2012	2,991.02	2,724.16	266.86
Vanguard Health Care Fund	0 290	3/21/2012	4/25/2012	39.77	39.38	0.39
Vanguard Health Care Fund	0.515	3/21/2012	4/25/2012	70.62	69.98	0.64
Pimco Total Ret Fd	174.633	4/24/2012	11/1/2012	2,000.00	1,954.43	45.57
Pimco Total Ret Fd	1,727.696	4/24/2012	11/2/2012	20,000.00	19,335.76	664 24
Touchstone Fds Small Cap Core Y	5,676.044	4/24/2012	11/7/2012	88,400.00	88,400.00	0.00
Weyerhaeuser Co	130.000	5/1/2012	8/6/2012	3,068.60	2,662.03	406.57
Wal-Mart Stores	70.000	5/1/2012	8/15/2012	5,195.61	4,122.18	1,073.43
TOTAL ADR	110.000	5/1/2012	11/16/2012	5,281.41	5,292.07	-10.66
First Tr Exchange Traded	105.000	8/18/2011	4/25/2012	4,553.66	3,673 51	880.15
First Tr Exchange Traded	105.000	9/6/2011	4/25/2012	4,553.66	3,790.48	763.18

Capital Gains Report - Last year:2

1/1/2012 through 12/31/2012

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
ISHARES NASDAQ BIOTECHNOLOGY	42.000	8/18/2011	4/25/2012	5,163.11	3,931.18	1,231.93
ISHARES NASDAQ BIOTECHNOLOGY	42.000	9/6/2011	4/25/2012	5,163.11	4,081.54	1,081.57
Ishares Tr S&P Midcap 400 Index	175.000	8/18/2011	4/25/2012	17,175.22	15,020.30	2,154.92
Ishares Tr S&P Midcap 400 Index	175.000	9/6/2011	4/25/2012	17,175.22	15,376.67	1,798.55
SPDR SER TR KBW BK ETF	1,200.000	9/6/2011	4/25/2012	27,892.78	23,908.96	3,983.82
				303,214.91	**288,276.32**	**14,938.59**
LONG TERM						
Vanguard Specialized Port	800.000	8/5/2010	4/24/2012	37,971.52	37,971.52	0.00
SPDR Gold Tr Gold	300.000	11/12/2008	4/24/2012	21,989.80	21,989.80	0.00
Artio International Equity Fd	1,941.748	12/19/2003	4/24/2012	47,339.82	50,000.00	-2,660.18
Artio International Equity Fd	24.247	12/30/2003	4/24/2012	591.14	633.56	-42.42
Artio International Equity Fd	28.327	12/31/2004	4/24/2012	690.61	888.35	-197.74
Artio International Equity Fd	15.158	12/31/2004	4/24/2012	369.55	475.36	-105.81
Artio International Equity Fd	21.359	12/31/2004	4/24/2012	520.73	669.83	-149.10
Artio International Equity Fd	25.668	1/3/2006	4/24/2012	625.79	917.63	-291.84
Artio International Equity Fd	63.776	1/3/2006	4/24/2012	1,554.86	2,279.97	-725.11
Artio International Equity Fd	14.157	12/29/2006	4/24/2012	345.15	595.71	-250.56
Artio International Equity Fd	142.695	12/29/2006	4/24/2012	3,478.90	6,004.62	-2,525.72
Artio International Equity Fd	60.579	12/29/2006	4/24/2012	1,476.92	2,549.17	-1,072.25
Artio International Equity Fd	6.649	12/29/2006	4/24/2012	162.10	279.78	-117.68
Artio International Equity Fd	38.680	12/28/2007	4/24/2012	943.02	1,678.73	-735.71
Artio International Equity Fd	43.262	12/28/2007	4/24/2012	1,054.73	1,877.55	-822.82
Artio International Equity Fd	240.676	12/28/2007	4/24/2012	5,867.68	10,445 36	-4,577.68
Artio International Equity Fd	51.647	12/29/2008	4/24/2012	1,259.15	1,227.64	31.51
Artio International Equity Fd	203.962	12/29/2009	4/24/2012	4,972.59	5,659.94	-687.35
Artio International Equity Fd	50.528	12/29/2010	4/24/2012	1,231.87	1,475.91	-244.04
Dodge & Cox International Fund	960.417	10/23/2006	4/24/2012	30,378.55	39,563.40	-9,184.85
Dodge & Cox International Fund	12.579	12/31/2006	4/24/2012	397.88	548.68	-150.80
Dodge & Cox International Fund	3.206	12/31/2006	4/24/2012	101.41	139.84	-38.43
Dodge & Cox International Fund	10.486	12/31/2006	4/24/2012	331.68	457.39	-125.71
Dodge & Cox International Fund	26.933	12/28/2007	4/24/2012	851.91	1,243.23	-391.32
Dodge & Cox International Fund	7.332	12/28/2007	4/24/2012	231.92	338.43	-106.51
Dodge & Cox International Fund	24.753	12/28/2007	4/24/2012	782.95	1,142.58	-359.63
Dodge & Cox International Fund	46.897	12/22/2008	4/24/2012	1,483.38	982.96	500.42
Dodge & Cox International Fund	75.933	12/22/2008	4/24/2012	2,401.81	1,591.56	810.25
Dodge & Cox International Fund	2.993	12/22/2008	4/24/2012	94.67	62.74	31.93
Dodge & Cox International Fund	16.335	12/21/2009	4/24/2012	516.69	510.79	5.90

Capital Gains Report - Last year:2

1/1/2012 through 12/31/2012

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Dodge & Cox International Fund	16.624	12/21/2010	4/24/2012	525.83	587.99	-62.16
Janus Overseas Fund	374.898	10/12/2007	4/24/2012	13,117.68	22,570.59	-9,452.91
Janus Overseas Fund	8.545	1/1/2008	4/24/2012	298.99	455.02	-156.03
Janus Overseas Fund	13.789	1/1/2008	4/24/2012	482.48	734.24	-251.76
Janus Overseas Fund	58.436	1/1/2008	4/24/2012	2,044.68	3,111.74	-1,067.06
Janus Overseas Fund	0.139	12/12/2008	4/24/2012	4.86	3.24	1.62
Janus Overseas Fund	25.856	12/12/2008	4/24/2012	904.70	607.87	296.83
Janus Overseas Fund	3.141	6/24/2009	4/24/2012	109.90	104.09	5.81
Janus Overseas Fund	1.700	12/22/2009	4/24/2012	59.48	71.43	-11.95
Janus Overseas Fund	452.489	3/18/2010	4/24/2012	15,832.59	21,000.00	-5,167.41
Janus Overseas Fund	1.012	12/22/2010	4/24/2012	35.41	50.89	-15.48
DWS Gold & Precious Metals Fund	820.800	9/19/2007	4/24/2012	11,253.17	19,050.77	-7,797.60
DWS Gold & Precious Metals Fund	94.239	12/24/2007	4/24/2012	1,292.02	1,930.96	-638.94
DWS Gold & Precious Metals Fund	22.528	12/24/2007	4/24/2012	308.86	461.59	-152.73
DWS Gold & Precious Metals Fund	309.707	12/24/2007	4/24/2012	4,246.08	6,345.89	-2,099.81
DWS Gold & Precious Metals Fund	56.069	12/24/2008	4/24/2012	768.71	710.95	57.76
DWS Gold & Precious Metals Fund	23.575	12/24/2009	4/24/2012	323.21	453.82	-130.61
DWS Gold & Precious Metals Fund	68.131	12/27/2010	4/24/2012	934.08	1,570.41	-636.33
DWS Gold & Precious Metals Fund	84.704	12/27/2010	4/24/2012	1,161.29	1,952.43	-791.14
US World Precious Minerals	532.188	10/12/2007	4/24/2012	6,338.36	18,062.46	-11,724.10
US World Precious Minerals	49.251	1/1/2008	4/24/2012	586.58	1,171.18	-584.60
US World Precious Minerals	158.532	1/1/2008	4/24/2012	1,888.12	3,769.89	-1,881.77
US World Precious Minerals	201.030	1/1/2008	4/24/2012	2,394.27	4,780.50	-2,386.23
US World Precious Minerals	274.536	12/9/2008	4/24/2012	3,269.72	1,929.99	1,339.73
US World Precious Minerals	48.593	12/11/2009	4/24/2012	578.74	816.84	-238.10
US World Precious Minerals	172.739	12/10/2010	4/24/2012	2,057.32	3,770.90	-1,713 58
T Rowe Price Global Technology	3,262.643	12/9/2005	4/24/2012	34,159.87	20,003.85	14,156.02
T Rowe Price Global Technology	4,347.826	6/28/2007	4/24/2012	45,521.74	32,003.85	13,517.89
T Rowe Price Media & Telecommunications	635.173	6/28/2007	4/24/2012	33,956.34	32,003.85	1,952.49
T Rowe Price Media & Telecommunications	3.831	12/18/2007	4/24/2012	204.81	177.85	26.96
T Rowe Price Media & Telecommunications	12.452	12/18/2007	4/24/2012	665.68	578.01	87.67
T Rowe Price Media & Telecommunications	37.902	12/18/2007	4/24/2012	2,026.24	1,759.43	266.81
T Rowe Price Media & Telecommunications	7.037	12/15/2008	4/24/2012	376.20	165 45	210 75
T Rowe Price Media & Telecommunications	15.248	12/15/2008	4/24/2012	815.16	358.47	456.69
T Rowe Price Media & Telecommunications	14.074	12/15/2008	4/24/2012	752.40	330.89	421.51
T Rowe Price Media & Telecommunications	9.015	12/15/2009	4/24/2012	481.94	362.86	119.08
T Rowe Price Media & Telecommunications	4.311	12/15/2010	4/24/2012	230.47	220.42	10.05
Vanguard Energy Fund	600.613	10/20/2006	4/25/2012	35,175.40	37,738.67	-2,563.27

Capital Gains Report - Last year:2

1/1/2012 through 12/31/2012

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Vanguard Energy Fund	22.973	12/20/2006	4/25/2012	1,345.43	1,507.01	-161.58
Vanguard Energy Fund	38.745	12/20/2006	4/25/2012	2,269.13	2,541.67	-272.54
Vanguard Energy Fund	5.343	12/20/2006	4/25/2012	312.92	350.51	-37.59
Vanguard Energy Fund	0.479	3/22/2007	4/25/2012	28.05	30.50	-2.45
Vanguard Energy Fund	4.015	3/22/2007	4/25/2012	235.14	255.43	-20.29
Vanguard Energy Fund	30.142	3/22/2007	4/25/2012	1,765.29	1,917.63	-152.34
Vanguard Energy Fund	22.755	12/17/2007	4/25/2012	1,332.67	1,774.86	-442.19
Vanguard Energy Fund	5.017	12/17/2007	4/25/2012	293.82	391.36	-97.54
Vanguard Energy Fund	57.073	12/17/2007	4/25/2012	3,342.53	4,451.67	-1,109.14
Vanguard Energy Fund	0.470	3/27/2008	4/25/2012	27.53	35.51	-7.98
Vanguard Energy Fund	38.797	3/27/2008	4/25/2012	2,272.18	2,931.87	-659.69
Vanguard Energy Fund	22.377	12/16/2008	4/25/2012	1,310.53	1,026.42	284.11
Vanguard Energy Fund	11.747	12/16/2008	4/25/2012	687.97	538.83	149.14
Vanguard Energy Fund	0.646	3/20/2009	4/25/2012	37.83	27.54	10.29
Vanguard Energy Fund	13.086	12/30/2009	4/25/2012	766.39	791.44	-25.05
Vanguard Energy Fund	1.156	3/22/2010	4/25/2012	67.70	68.19	-0.49
Vanguard Energy Fund	4.803	3/22/2010	4/25/2012	281.29	283.27	-1.98
Vanguard Energy Fund	13.729	12/16/2010	4/25/2012	804.05	859.99	-55.94
Vanguard Energy Fund	3.611	12/16/2010	4/25/2012	211.48	226.22	-14.74
Vanguard Energy Fund	20.938	12/16/2010	4/25/2012	1,226.25	1,311.55	-85.30
Vanguard Energy Fund	0.228	3/22/2011	4/25/2012	13.35	16.54	-3.19
Vanguard Energy Fund	1.406	3/22/2011	4/25/2012	82.34	101.96	-19.62
Vanguard Energy Fund	4.965	3/22/2011	4/25/2012	290.78	360.06	-69.28
Vanguard Health Care Fund	123.877	12/8/2004	4/25/2012	16,986.90	15,776.91	1,209.99
Vanguard Health Care Fund	5.031	12/19/2004	4/25/2012	689.89	627.26	62.63
Vanguard Health Care Fund	1.748	12/20/2004	4/25/2012	239.70	217.92	21.78
Vanguard Health Care Fund	0.161	3/21/2005	4/25/2012	22.08	20.12	1.96
Vanguard Health Care Fund	2.127	3/21/2005	4/25/2012	291.67	266.07	25.60
Vanguard Health Care Fund	0.194	3/21/2005	4/25/2012	26.60	24.38	2.22
Vanguard Health Care Fund	1.894	12/19/2005	4/25/2012	259.72	263.65	-3.93
Vanguard Health Care Fund	0.641	12/19/2005	4/25/2012	87.90	89.34	-1.44
Vanguard Health Care Fund	4.993	12/19/2005	4/25/2012	684.68	695.09	-10.41
Vanguard Health Care Fund	4.895	3/27/2006	4/25/2012	671.24	691.55	-20.31
Vanguard Health Care Fund	0.282	3/27/2006	4/25/2012	38.67	39.79	-1.12
Vanguard Health Care Fund	0.385	3/27/2006	4/25/2012	52.79	54.39	-1.60
Vanguard Health Care Fund	1.915	12/20/2006	4/25/2012	262.60	279 09	-16.49
Vanguard Health Care Fund	0.795	12/20/2006	4/25/2012	109.02	116 05	-7.03
Vanguard Health Care Fund	4.900	12/20/2006	4/25/2012	671.92	714.20	-42.28

Capital Gains Report - Last year:2

1/1/2012 through 12/31/2012

Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Vanguard Health Care Fund	0.214	3/22/2007	4/25/2012	29.35	31.68	-2.33
Vanguard Health Care Fund	0.176	3/22/2007	4/25/2012	24.13	26.02	-1.89
Vanguard Health Care Fund	3.082	3/22/2007	4/25/2012	422.63	455.51	-32.88
Vanguard Health Care Fund	4.339	12/17/2007	4/25/2012	594.99	598.98	-3.99
Vanguard Health Care Fund	0.190	12/17/2007	4/25/2012	26.05	26.21	-0.16
Vanguard Health Care Fund	13.896	12/17/2007	4/25/2012	1,905.52	1,918.48	-12.96
Vanguard Health Care Fund	0.066	3/27/2008	4/25/2012	9.05	8.18	0.87
Vanguard Health Care Fund	0.050	3/27/2008	4/25/2012	6.86	6.20	0.66
Vanguard Health Care Fund	2.631	3/27/2008	4/25/2012	360.78	328.84	31.94
Vanguard Health Care Fund	396.864	11/7/2008	4/25/2012	54,420.82	41,004.80	13,416.02
Vanguard Health Care Fund	12.448	12/16/2008	4/25/2012	1,706.96	1,225.63	481.33
Vanguard Health Care Fund	1.684	12/16/2008	4/25/2012	230.92	165.84	65.08
Vanguard Health Care Fund	52.095	12/16/2008	4/25/2012	7,143.64	5,129.23	2,014.41
Vanguard Health Care Fund	0.387	3/20/2009	4/25/2012	53.07	34.99	18.08
Vanguard Health Care Fund	10.079	12/30/2009	4/25/2012	1,382.10	1,223.07	159.03
Vanguard Health Care Fund	1.142	12/30/2009	4/25/2012	156.60	138.60	18.00
Vanguard Health Care Fund	3.161	12/30/2009	4/25/2012	433.46	383.64	49.82
Vanguard Health Care Fund	0.029	3/22/2010	4/25/2012	3.98	3.79	0.19
Vanguard Health Care Fund	0.493	3/22/2010	4/25/2012	67.60	61.22	6.38
Vanguard Health Care Fund	6.945	3/22/2010	4/25/2012	952.35	862.89	89.46
Vanguard Health Care Fund	11.545	12/16/2010	4/25/2012	1,583.13	1,415.82	167.31
Vanguard Health Care Fund	0.558	12/16/2010	4/25/2012	76.52	68.48	8.04
Vanguard Health Care Fund	11.533	12/16/2010	4/25/2012	1,581.49	1,414.35	167.14
Vanguard Health Care Fund	0.495	3/22/2011	4/25/2012	67.88	62.30	5.58
Vanguard Health Care Fund	0.766	3/22/2011	4/25/2012	105.04	96.51	8.53
Vanguard Health Care Fund	4.464	3/22/2011	4/25/2012	612.14	562.32	49.82
CGM Focus Fund	468.496	2/1/2006	5/4/2012	13,208.03	17,888.36	-4,680.33
CGM Focus Fund	895.188	9/20/2007	5/4/2012	25,237.50	48,003.83	-22,766.33
Vanguard Specialized Port	800.000	8/5/2010	4/25/2012	46,359.57	37,971.52	8,388.05
SPDR Gold Tr Gold	270.000	11/12/2008	4/25/2012	42,963.27	19,790.82	23,172.45
				637,027.62	**658,565.26**	**-21,537.64**
				940,242.53	**946,841.58**	**-6,599.05**

Lore Kann Foundation-Portfolio - As of 12/31/2012:3

As of 12/31/2012

Security	Shares	Quote/Price	Cost Basis	Balance
3M Co	60.000	92.850	5,335.78	5,571.00
Abbott Labs	45.000	65.500	2,650.77	2,947.50
Abbvie Inc	45.000	65.500	2,874.52	2,947.50
Apache Corp	59.000	78.500	4,645.33	4,631.50
Automatic Data Processing Inc	100.000	56.930	5,521.85	5,693.00
Becton Dickinson & Co	140.000	78.190	10,873.05	10,946.60
Berkley W R Corp	128.000	37.740	4,831.15	4,830.72
Berkshire Hathaway Inc	35.000	89.700	2,802.94	3,139.50
Campbell Soup Co	150.000	34.890	5,098.19	5,233.50
CISCO SYS INC	270.000	19.649	5,271.34	5,305.34
Coca Cola Co	150.000	36.250	5,617.72	5,437.50
Exelon Corporation	201.000	29.740	7,814.36	5,977.74
Expeditors Intl Wash Inc	63.000	39.550	2,348.02	2,491.65
France Telcom SA	280.000	11.050	3,875.76	3,094.00
General Dynamics Corp	80.000	69.270	5,541.46	5,541.60
Intl Business Machines	30.000	191.550	6,095.89	5,746.50
IVA Funds International	6,070.777	15.580	92,792.75	94,582.71
Johnson & Johnson	203.000	70.100	13,152 52	14,230 30
McDonalds Corp	60.000	88.210	5,710.89	5,292.60
Medtronic Inc	285.000	41.020	10,747.30	11,690.70
Microsoft Corp	285.000	26.710	9,162.25	7,612.26
Molson Coors Brewing	130.000	42.790	5,394.63	5,562.70
Newmont Mining Corp	80.000	46.440	3,812 98	3,715.20
Nike Inc	120.000	51.600	5,353.26	6,192.00
Novartis AG	169.000	63.300	9,284.52	10,697.70
Omnicom Group Inc	110.000	49.960	5,529.25	5,495.60
Oracle Corp	185.000	33.320	5,345.26	6,164.20
Paychex Inc	130.000	31.100	4,032.23	4,043.00
People's United Financial	320.000	12.090	3,950.75	3,868.80
Pepsico Inc	80.000	68.430	5,346.45	5,474.40
Pimco Total Ret Fd	13,422.808	11.240	150,355.62	150,872.36
Proctor & Gamble Co	199.000	67.890	12,952.39	13,510.11
SPDR Gold Tr Gold	30.000	162.020	2,198.98	4,860.61
Spectra Energy Corp	152.000	27.380	4,651.64	4,161.76
Sprott Physical Gold	655.000	14.210	9,282.64	9,307.55
Stryker Corp	100.000	54.820	5,360.75	5,482.00
Sysco Corp	271.000	31.660	7,813.16	8,579.86
Touchstone Fds Small Cap Core I	5,803.666	16.300	90,420.06	94,599.76
United Tech Corp	70.000	82.010	5,651.31	5,740.70
Varian Medical Systems Inc	40.000	70.240	2,771.39	2,809.60
Wal-Mart Stores	95.000	68.230	5,506.91	6,481.85
Western Union	280.000	13.610	5,152.03	3,810.80
Xylem Inc	90.000	27.100	2,518.96	2,439.00
-Cash-			100,478.67	100,478.67
TOTAL Investments			**665,927.68**	**677,291.95**

Form **8868**

(Rev. January 2013)

Department of the Treasury

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

- *If you are filing for an* **Automatic 3-Month Extension, complete only Part I** *and check this box* . . . . ▶ [X]
- *If you are filing for an* **Additional (Not Automatic) 3-Month Extension, complete only Part II** *(on page 2 of this form).*

***Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

Electronic filing (e-file). *You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. *Only submit original (no copies needed).*

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print *File by the due date for filing your return. See instructions.*	*Name of exempt organization or other filer, see instructions.* LORE KANN FOUNDATION, INC.	*Employer identification number (EIN) or* 13-3374261
	Number, street, and room or suite no. If a P.O. box, see instructions. 177 OLD CLYDE PARK ROAD	*Social security number (SSN)*
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LIVINGSTON MT 59047	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . [04]

Application Is For	**Return Code**	**Application Is For**	**Return Code**
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- *The books are in the care of* ▶ Robert Forstenzer

Telephone No. ▶ 406-222-2530 *FAX No.* ▶

- *If the organization does not have an office or place of business in the United States, check this box* . . . . ▶ [ ]
- *If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)* ______ . *If this is for the whole group, check this box* . . . . . . ▶ [ ] . *If it is for part of the group, check this box.* . . . . ▶ [ ] *and attach a list with the names and EINs of all members the extension is for.*

1 *I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until* 8/15/2013 *, to file the exempt organization return for the organization named above. The extension is for the organization's return for:*

▶ [X] *calendar year* 2012 *or*

▶ [ ] *tax year beginning* ______ *, and ending* ______ .

2 *If the tax year entered in line 1 is for less than 12 months, check reason:* [ ] *Initial return* [ ] *Final return* [ ] *Change in accounting period*

3a	*If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.*	**3a**	**$** 0
b	*If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.*	**3b**	**$** 0
c	**Balance due.** *Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.*	**3c**	**$** 0

Caution. *If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.*