

DENALI FUND INC.
Form 4
March 17, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BANK OF AMERICA CORP /DE/

(Last) (First) (Middle)

BANK OF AMERICA
CORPORATE CENTER, 100 N.
TRYON STREET

(Street)

CHARLOTTE, NC 28255

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DENALI FUND INC. [DNY]

3. Date of Earliest Transaction
(Month/Day/Year)
01/05/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Stock | 01/05/2010 | | P | 2,000 A \$ 14.4 | 2,000 | I | By Subsidiary |
| Common Stock | 01/05/2010 | | S | 800 D \$ 14.18 | 1,200 | I | By Subsidiary |
| Common Stock | 01/05/2010 | | S | 1,000 D \$ 14.25 | 200 | I | By Subsidiary |
| Common Stock | 01/05/2010 | | S | 200 D \$ 14.15 | 0 | I | By Subsidiary |
| Common Stock | 01/05/2010 | | P | 770 A \$ 14.5 | 770 | I | By Subsidiary |

Edgar Filing: DENALI FUND INC. - Form 4

| | | | | | | | | |
|--------------|------------|---|-------|---|----------|-------|---|---------------|
| Common Stock | 01/05/2010 | S | 200 | D | \$ 14.29 | 570 | I | By Subsidiary |
| Common Stock | 01/05/2010 | S | 400 | D | \$ 14.35 | 170 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 1 | A | \$ 14.32 | 171 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 599 | A | \$ 14.35 | 770 | I | By Subsidiary |
| Common Stock | 01/05/2010 | S | 400 | D | \$ 14.28 | 370 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 230 | A | \$ 14.45 | 600 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 100 | A | \$ 14.37 | 700 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 100 | A | \$ 14.42 | 800 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 100 | A | \$ 14.46 | 900 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 200 | A | \$ 14.44 | 1,100 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 200 | A | \$ 14.34 | 1,300 | I | By Subsidiary |
| Common Stock | 01/05/2010 | S | 200 | D | \$ 14.2 | 1,100 | I | By Subsidiary |
| Common Stock | 01/05/2010 | S | 200 | D | \$ 14.16 | 900 | I | By Subsidiary |
| Common Stock | 01/05/2010 | P | 700 | A | \$ 14.47 | 1,600 | I | By Subsidiary |
| Common Stock | 01/05/2010 | S | 1,600 | D | \$ 14.4 | 0 | I | By Subsidiary |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|---|

Edgar Filing: DENALI FUND INC. - Form 4

| Derivative Security | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | (Instr. 3 and 4) |
|---------------------|---|------|---|-----|-----|------------------|-----------------|-------|----------------------------|------------------|
| | | | | | | | | | | Owned |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BANK OF AMERICA CORP /DE/ BANK OF AMERICA CORPORATE CENTER 100 N. TRYON STREET CHARLOTTE, NC 28255 | | X | | |
| MERRILL LYNCH, PIERCE, FENNER & SMITH INC. 4 WORLD FINANCIAL CENTER NORTH TOWER NEW YORK, NY 10080 | | X | | |

Signatures

| | |
|---|------------|
| Bank of America Corporation, By: /s/ Beth Dorfman, Authorized Signatory | 03/17/2011 |
| __Signature of Reporting Person | Date |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated, By: /s/ Lawrence Emerson, Title: Attorney-In-Fact | 03/17/2011 |
| __Signature of Reporting Person | Date |

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Remarks:

The transactions reported on this Form 4 were effected by Merrill Lynch, Pierce, Fenner & Smith Incorporated, an indirect, wh

Disgorgement of profits, if applicable, based on transactions reported above is being made by the Reporting Persons to the Issu

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.