

DENALI FUND INC.  
Form 4  
March 17, 2011

**FORM 4**

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

OMB APPROVAL

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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) 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   |

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|              |            |   |       |   |          |       |   |               |
|--------------|------------|---|-------|---|----------|-------|---|---------------|
| 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.

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**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 |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|---|

| 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/<br>BANK OF AMERICA CORPORATE CENTER<br>100 N. TRYON STREET<br>CHARLOTTE, NC 28255 |               | X         |         |       |
| MERRILL LYNCH, PIERCE, FENNER & SMITH INC.<br>4 WORLD FINANCIAL CENTER NORTH TOWER<br>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.

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