Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 017

1c Effective date of plan 03/09/2002

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

600 THIRD AVENUE
NEW YORK, NY 10016-1901

10001 JACK FINNEY BOULEVARD
GREENVILLE, TX 75402

2b Employer Identification Number (EIN)
03-0391841

2c Sponsor's telephone number
212-697-1111

2d Business code (see instructions)
334200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/26/2010	PAT HEMPHILL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

600 THIRD AVENUE
NEW YORK, NY 10016-1901

3b Administrator's EIN
03-0391841

3c Administrator's telephone number
212-697-1111

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	5293
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	4288
b	Retired or separated participants receiving benefits	**6b**	432
c	Other retired or separated participants entitled to future benefits	**6c**	496
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	5216
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	38
f	Total. Add lines **6d** and **6e**	**6f**	5254
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	73
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1E 1G 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D Employer Identification Number (EIN)
03-0391841

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2009			
2	Assets:			
a	Market value	**2a**		199307331
b	Actuarial value	**2b**		219238064
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	403	31596724
b	For terminated vested participants	**3b**	463	6216980
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		31365879
	(2) Vested benefits	**3c(2)**		115919200
	(3) Total active	**3c(3)**	4427	147285079
d	Total	**3d**	5293	185098783
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		8.04 %
6	Target normal cost	**6**		24232649

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

07/19/2010
Signature of actuary — Date

MICHAEL KARLIN, FSA, EA, MAAA
Type or print name of actuary

08-02683
Most recent enrollment number

SIBSON CONSULTING
Firm name

212-251-5000
Telephone number (including area code)

333 WEST 34TH STREET
NEW YORK, NY 10001-2402
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	118.44 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

27	If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28	Unpaid minimum required contribution for all prior years	**28**	
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30	Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31	Target normal cost, adjusted, if applicable (see instructions)	**31**	

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		

33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34	Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**	0

35 Balances used to offset funding requirement	Carryover balance	Prefunding balance	Total balance

36	Additional cash requirement (item 34 minus item 35)	**36**	0
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38	Interest-adjusted excess contributions for current year (see instructions)	**38**	
39	Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40	Unpaid minimum required contribution for all years	**40**	0

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 017

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D Employer Identification Number (EIN)
03-0391841

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: L-3 COMM. CORPORATION MASTER TRUST

b Name of sponsor of entity listed in (a): L-3 COMMUNICATIONS CORPORATION

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3937436-020	M	270391020

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D Employer Identification Number (EIN)
03-0391841

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	891000	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	207544211	270391020
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	208435211	270391020
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	227112	338512
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	227112	338512
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	208208099	270052508

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	18291000	
	(B) Participants	2a(1)(B)	911898	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		19202898
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		49819998
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		69022896
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5787919	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		5787919
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	1390568	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1390568
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		7178487
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		61844409
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS, LLP (2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D Employer Identification Number (EIN)
03-0391841

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-7074646

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 26

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 47% Investment-Grade Debt: 15% High-Yield Debt: 0.0% Real Estate: 5% Other: 33%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
300 Madison Avenue
New York NY 10017
Telephone (646) 471-3000
pwc.com

Report of Independent Auditors

To the Participants and Administrator of the
L-3 Communications Integrated Systems Retirement Plan:

In our opinion, the accompanying statements of net assets available for pension benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for pension benefits for the years then ended and the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the L-3 Communications Integrated Systems Retirement Plan (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of January 1, 2009, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, NY
August 26, 2010

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning and ending

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D Employer Identification Number (EIN)
03-0391841

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

2 Assets:

a	Market value	2a	199307331
b	Actuarial value	2b	219238064

3 Funding target/participant count breakdown

			(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	403	31596724
b	For terminated vested participants	3b	463	6216980
c	For active participants:			
	(1) Non-vested benefits	3c(1)		31365879
	(2) Vested benefits	3c(2)		115919200
	(3) Total active	3c(3)	4427	147285079
d	Total	3d	5293	185098783

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5	Effective interest rate	5	8.04%
6	Target normal cost	6	24232649

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Michael Karlin — Signature of actuary

7/19/2010 — Date

MICHAEL KARLIN, FSA, EA, MAAA — Type or print name of actuary

08-02683 — Most recent enrollment number

SIBSON CONSULTING — Firm name

212-251-5000 — Telephone number (including area code)

333 WEST 34TH STREET
NEW YORK NY 10001-2402
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		
	b Interest on (a) using prior year's effective rate of _____%		
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	118.44 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶ 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) 21b

22 Weighted average retirement age 22

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			

36 Additional cash requirement (item 34 minus item 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	
38 Interest-adjusted excess contributions for current year (see instructions)	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Attachment to 2009 Schedule SB of Form 5500
2009 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

As required, all pre-PPA actuarial information is supplied in the Schedule B, and requisite attachments. While the Schedule B is a 2007 form, all information is based on the 1/1/2009 Actuarial Valuation.

Refer to the attachments to the Schedule B form for plan provisions, assumptions (funding target liability is determined with the assumptions used for maximum tax-deductible contribution purposes), and data.

SCHEDULE B
(Form 5500)

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under Section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

► **Attach to Form 5500 or 5500-EZ if applicable.**
► **See separate instructions.**

Official Use Only

OMB No. 1210-0110

2007

This Form is Open to Public Inspection (except when attached to Form 5500-EZ).

For calendar plan year 2007 or fiscal plan year beginning 01/01/2009 , and ending 12/31/2009 ,

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
L-3 INTEGRATED SYSTEMS RETIREMENT PLAN

B Three-digit plan number ... ► 017

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ.
L-3 COMMUNICATIONS INTEGRATED SYSTEMS L.P.

D **Employer Identification Number**
03-0391841

E Type of plan: (1) [ ] Multiemployer (2) [X] Single-employer (3) [ ] Multiple-employer

F [ ] 100 or fewer participants in prior plan year

Part I Basic Information (To be completed by all plans)

1a Enter the actuarial valuation date: Month 01 Day 01 Year 2009

b Assets:

(1) Current value of assets	b(1)	199307331
(2) Actuarial value of assets for funding standard account	b(2)	239168797
c (1) Accrued liability for plans using immediate gain methods	c(1)	363554576
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	c(2)(a)	
(b) Accrued liability under entry age normal method	c(2)(b)	
(c) Normal cost under entry age normal method	c(2)(c)	

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

SIGN HERE Michael Karlin
Signature of actuary

7/19/2010
Date

MICHAEL KARLIN, FSA, EA, MAAA
Type or print name of actuary

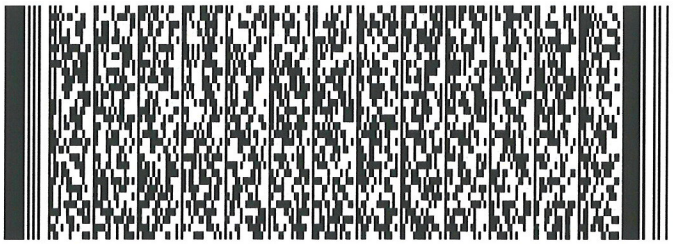
G 08-02683
Most recent enrollment number

SIBSON CONSULTING
Firm name

212-251-5000
Telephone number (including area code)

333 WEST 34TH STREET
NEW YORK NY 10001-2402
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ... [ ]



0 8 0 7 3 5 0 1 0 0

Official Use Only

1d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	d(1)	0
(2) "RPA '94" information:		
(a) Current liability	d(2)(a)	224423153
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	29163701
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	224423153
(d) Expected release from "RPA '94" current liability for the plan year	d(2)(d)	
(3) Expected plan disbursements for the plan year	d(3)	4718457

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)	2a	208208099

b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	403	36099774	36099774
(2) For terminated vested participants	463	7788095	7788095
(3) For active participants	4427	139844885	180535284
(4) Total	5293	183732754	224423153

c If the percentage resuting from dividing line 2a by line 2b(4), column (3) is less than 70%, enter such percentage | 2c | %

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
04/15/2009	3539000				
07/15/2009	3539000				
10/15/2009	9104000				
3 Totals ►			(b)	16182000	(c) 0

4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions) | 4a | 126.0%

b If line 4a is less than 100%, see instructions, and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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5 Actuarial cost method used as the basis for this plan year's funding standard account computation:

a ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit)

d ☐ Aggregate **e** ☐ Frozen initial liability **f** ☐ Individual level premium

g ☐ Individual aggregate **h** ☐ Other (specify) ▶

i Has a change been made in funding method for this plan year? ☐ Yes ☒ No

j If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ☐ Yes ☐ No

k If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method — Month / Day / Year

6 Checklist of certain actuarial assumptions:

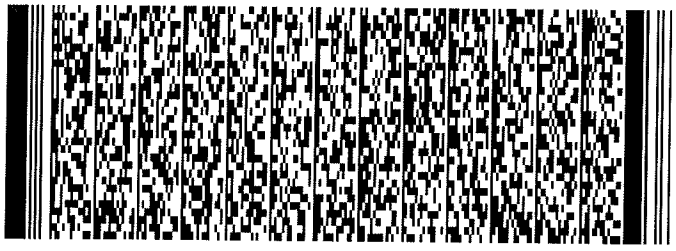
a Interest rates for "RPA '94" current liability	6a	6.69 %		☐ N/A
b Weighted average retirement age	6b	62		☐ N/A
		Pre-retirement	Post-retirement	
c Rates specified in insurance or annuity contracts ☒ N/A	6c	☐ Yes ☐ No	☐ Yes ☐ No	☒ N/A
d Mortality table code for valuation purposes:				
(1) Males	d(1)	A	A	
(2) Females	d(2)	A	A	
e Valuation liability interest rate ☐ N/A	6e	7.50 %	7.50 %	☐ N/A
f Expense loading ☐ N/A	6f	4.8 %	%	☒ N/A
		Male	Female	
g Annual withdrawal rates:		Rate Code	Rate Code	
(1) Age 25	g(1)	S 25.00 %	S 25.00 %	
(2) Age 40	g(2)	S 10.80 %	S 10.80 %	
(3) Age 55	g(3)	S 6.30 %	S 6.30 %	
h Salary scale ☐ N/A	6h	%	%	☐ N/A
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i	-12.0 %		
j Estimated investment return on current value of assets for year ending on the valuation date	6j	-28.5 %		

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	53286109	12251578
4	7745703	1049712
3	2958573	233029

8 Miscellaneous information:

a If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval — Month / Day / Year



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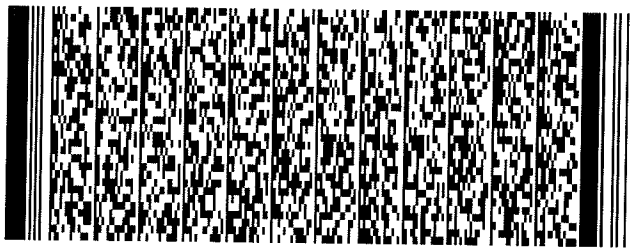
8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accodance with the instructions ▶

c Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule ☒ Yes ☐ No

9	Funding standard account statement for this plan year:			
	Charges to funding standard account:			
a	Prior year funding deficiency, if any		9a	0
b	Employer's normal cost for plan year as of valuation date		9b	14298780
c	Amortization charges as of valuation date:	Outstanding Balance		
	(1) All bases except funding waivers ▶	($ 208630279)	c(1)	32677531
	(2) Funding waivers ▶	($ 0)	c(2)	0
d	Interest as applicable on lines 9a, 9b, and 9c		9d	3523223
e	Additional interest charge due to late quarterly contributions, if applicable		9e	0
f	Adjusted additional funding charge from Part II, line 12q, if applicable ☐ N/A		9f	0
g	Total charges. Add lines 9a through 9f		9g	50499534
	Credits to funding standard account:			
h	Prior year credit balance, if any		9h	81933518
i	Employer contributions. Total from column (b) of line 3		9i	16182000
		Outstanding Balance		
j	Amortization credits as of valuation date ▶	($ 2310982)	9j	641846
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j		9k	6649160
l	Full funding limitation (FFL) and credits			
	(1) ERISA FFL (accrued liability FFL)	l(1) 280015509		
	(2) "RPA '94" override (90% current liability FFL)	l(2) 0		
	(3) FFL credit		l(3)	0
m	(1) Waived funding deficiency		m(1)	0
	(2) Other credits		m(2)	0
n	Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)		9n	105406524
o	Credit balance: If line 9n is greater than line 9g, enter the difference		9o	54906990
p	Funding deficiency: If line 9g is greater than line 9n, enter the difference		9p	
	Reconciliation account:			
q	Current year's accumulated reconciliation account:			
	(1) Due to additional funding charges as of the beginning of the plan year	q(1) 0		
	(2) Due to additional interest charges as of the beginning of the plan year	q(2) 0		
	(3) Due to waived funding deficiencies:			
	(a) Reconciliation outstanding balance as of valuation date	q(3)(a) 0		
	(b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)	q(3)(b) 0		
	(4) Total as of valuation date ▶		q(4)	0
10	Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable		10	0

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions ☒ Yes ☐ No



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Part II Additional Information for Certain Plans Other Than Multiemployer Plans

Please see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.

12 Additional required funding charge (see instructions):

a Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.
If line 12a is at least 90%, go to line 12q and enter -0-.
If line 12a is less than 80%, go to line 12b.
If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q and enter -0-. Otherwise, go to line 12b 12a 106.6%

b "RPA '94" current liability. Enter line 1d(2)(a) 12b

c Adjusted value of assets (see instructions) 12c

d Funded current liability percentage. Divide line 12c by 12b and multiply by 100 ..... 12d %

e Unfunded current liability. Subtract line 12c from line 12b 12e

f Liability attrubutable to any unpredicable contingent event benefit 12f

g Outstanding balance of unfunded old liability 12g

h Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative 12h

i Unfunded new liability amount (_____ % of line 12h) 12i

j Unfunded old liability amount 12j

k Deficit reduction contribution. Add lines 12i, 12j and 1d(2)(b) 12k

l Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero 12l

m Unpredictable contingent event amount:

(1)	Benefits paid during year attributable to unpredictable contingent event ...	m(1)	
(2)	Unfunded current liability percentage. Subtract the percentage on line 12d from 100%	m(2)	%
(3)	Enter the product of lines 12m(1) and 12m(2)	m(3)	
(4)	Ammortization of all unpredictable contingent event liabilities	m(4)	
(5)	"RPA '94" additional amount (see instructions)	m(5)	
(6)	Enter the greatest of lines 12m(3), 12m(4), or 12m(5)		m(6)

n Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest 12n

o Contributions needed to increase current liability percentage to 100% (see instructions) 12o

p Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o 12p

q Adjusted additional funding charge. (.0% of line 12p) 12q 0

0 8 0 7 3 5 0 5 0 S

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

Net investment return:	7.5%

Interest rate for determination of current liability, maximum deductible contribution and PBGC:

Current Liability:	6.69% (previously, 6.43%) Effective in 2008, as mandated by the Pension Protection Act of 2006 for eligible contractor plans, this is based on the third segment rate used to determine funding requirements for noncontractor plans. The interest rate of 6.69% is the third rate of the 24-month segmented rates ending in December 2008.
Maximum Deductible Contribution:	As mandated by the Pension Protection Act of 2006 and based upon recently released guidance, the interest rates used are the October 2008 full spot yield curve. The effective interest rate is 8.04%. This market-based assumption is mandated by law, based on the plan sponsor's one-time election of one of the alternative methodologies. (Prior year's raets were from the 24-month average of corporate bond yields ending in August 2007 without a phase-in frome the current liability rates.)
Variable Rate Premium:	The rates are 6.72% for payments in the first 5 years, 7.12% for payments in years 6-20, and 6.36% for payments thereafter.

Mortality rates:

Healthy:	RP 2000 Combined Healthy Table, sex distinct
Disabled:	RP 2000 Disabled Retiree, sex distinct
Current Liability, Maximum and PBGC:	The RP2000 separate annuitant and non-annuitant tables with static projection. This assumption is one of the choices allowed by proposed regulations. (Prior year current liability assumption was similar, but based on one less year of projection.)

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

Salary scale:

Age	Rate
20	12.0%
25	10.0
30	8.0
35	7.0
40	6.0
45	5.0
50	5.0
55	4.0
60	4.0
65	4.0
70	0.0

(Previously, 4% for all ages)

Cost of living increases: 3.00% for Social Security COLA
4.00% for Social Security Wage Base

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

Termination rates before retirement:

Percent Terminating

	Select Period – Years of Service						
Age	**1**	**2**	**3**	**4**	**5**	**Ultimate**	**Disability***
25	25.0%	26.5%	23.7%	21.4%	19.5%	10.2%	0.10%
30	18.0	19.3	17.2	15.6	14.3	7.3	0.11
35	13.8	14.5	13.0	11.8	10.8	5.4	0.12
40	10.8	11.3	10.1	9.2	8.5	4.1	0.18
45	9.0	9.3	8.3	7.6	7.0	3.3	0.28
50	7.5	7.8	7.0	6.4	5.9	2.7	0.48
55	6.3	6.5	5.9	5.4	5.0	2.2	0.87
60	5.5	5.8	5.2	4.8	4.5	1.9	1.38
64	5.5	5.5	5.0	4.6	4.3	1.8	1.88

(Previously, rates were 1% lower in all select periods)

*No disability decrement for employees in the Raytheon Salaried, Richardson, or Waco retirement plans

Retirement:

Age	**Rate**	**Age**	**Rate**
55	5.0%	63	15.0%
56	5.0	64	15.0
57	5.0	65	50.0
58	7.0	66	50.0
59	7.0	67	50.0
60	10.0	68	50.0
61	10.0	69	50.0
62	15.0	70	100.0

(Previously, 2.5% at 55-57, 5% at 58-59, 7.5% at 60, 5% at 61, 15% at 62, 5% at 63-64, 20% at 65, 50% at 66, 100% at 67-70)

Retirement age
for terminated vesteds: 65

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Integrated Systems Retirement
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Average retirement age for Schedule B:	62.19
Percent married:	70% for male participants, 55% for female participants. (Previously, 85% for male participants, 67% for female participants.)
Spouse age:	For active participants, it was assumed that husbands were 3 years older than their wives.
Administrative expenses:	$661,000 (Previously, 0.75% of market value of assets without receivables.)
Form of payment:	Normal Form based on applicable plan provisions.
Actuarial Value of Assets:	Prior year's actuarial value of assets plus 1) Net new money (cash flow excluding investing income) 2) Expected investment return on actuarial value 3) 25% of each of the previous four year's gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is limited to not less than 80%, nor greater than 120% of market value. For the maximum deductible contribution, the rules under the Pension Protection Act apply, based on the plan sponsor's election of an allowable asset averaging method. The actuarial value of assets is an average of the market value of assets as of the valuation date and the adjusted market value of assets as of the preceding two years. The adjusted assets reflect expected earnings (subject to a statutory cap) and actual cash flow. The resulting value is limited to between 90% and 110% of the market value of assets. The methodology was changed from market value of assets in 2008.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method This cost method develops the annual cost or expense of the Plan in two parts: that allocated in the current year, known as the normal or service cost, and that allocated prior to the current year, known as the actuarial accrued or past service liability. Each of these components is calculated individually for each active employee.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Integrated Systems Retirement
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The normal cost is the level annual contribution as a percentage of pay, required to be made from the employee's date of hire until his termination or retirement, so that sufficient assets will be accumulated to provide his benefit. The unfunded actuarial liability reflects the difference between the portion of projected benefits allocated to the period prior to the valuation date and assets already accumulated. The unfunded actuarial liability is paid off in accordance with a specified amortization procedure.

Under the entry age normal cost method, if actual plan experience is close to the assumptions, the normal cost will remain constant as a percentage of payroll for each employee as he or she approaches retirement age. The total contribution is made up of the sum of the individual normal costs and the amortization payment on the unfunded actuarial liability.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

SUMMARY OF PLAN PROVISIONS

This subsection summarizes the major provisions of the plan as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Status:	The plan is closed to employees hired on or after January 1, 2007. Employees hired prior to January 1, 2007 will receive ongoing accruals.
Applicable Provisions:	Employees who were eligible participants at the effective date will have their benefits determined in accordance with the terms of the plan stated below that correspond to their participation status in the former Raytheon Company Pension Plan for Salaried Employees. New hires after the effective date participate in the E-Systems Waco provisions.
Prior Raytheon Service:	Benefits are based on total service, including service under the prior plan. However, benefits will be offset by the accrued benefit under the prior plan at the date of acquisition.
Participation:	New hires shall be eligible to participate as of the first date of the month following attainment of age 21 and completion of 1,000 hours of service if such 1,000 hours are completed either during the 12-month period beginning with the employee's employment commencement date, or during any calendar year following his commencement date.
Section 415 limit:	$195,000 (previously, $185,000)
Section 401(a)(17) limit:	$245,000 (previously, $230,000)
Lump sum benefits:	Benefits with present value less than or equal to $1,000 are automatically cashed out. If the present value of the benefit is greater than $1,000 but less than or equal to $5,000, a lump sum is offered to the participant. If the present value of the benefit is greater than $5,000 but less than or equal to $20,000, the participant may elect to receive a lump sum, an immediate annuity, or a deferred annuity.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
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Recent Plan Amendments:	
Plan Amendment #1:	Effective January 1, 2008, the plan provides a 75% joint and survivor annuity as an optional form of benefit.
Plan Amendment #2:	Effective January 1, 2007, the single life annuity that is equivalent to the participant's form of benefit is developed in a manner consistent with the current IRS regulations for purposes of calculating the 415(b) limit.
Plan Amendment #3:	Effective January 1, 2007, plan year compensation includes compensation paid by the later of 2-½ months after severance from employment and the end of the plan year for purposes of calculating the 415(b) limit.
Plan Amendment #4:	Effective January 1, 2009, benefit accruals for Greenville Security Officers have been frozen.

Raytheon Salaried

Normal retirement:

Eligibility:	Age 65
Amount:	The greater of: (1) 1.8% x years of service up to 20 x Final Average Earnings (FAE) over Social Security benefit + 1.2% x years of service over 20 x excess of Final Average Earnings (FAE) over Social Security benefit (2) $492 per year of participation service
Compensation:	Base pay, incentive pay, overtime pay, commission
Average compensation:	FAE: Average of highest consecutive 60 months out of last 120 months

Early retirement:

Eligibility:	Age 55 with 10 years of service
Early retirement reduction:	7% reduction for each year retirement precedes age 60.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

Normal form:	Life annuity. Actuarially equivalent 50% Joint and Survivor for married participants.
Vesting:	5 years. Eligible for unreduced pension at age 65 and reduced pension at age 55 (with 10 years of service).
Pre-retirement death benefits:	Surviving spouse eligible to receive benefit payable if participant had terminated on date of death and commenced payment as 50% joint and survivor annuity and then died.
Benefit credit:	From date of participation
Disability:	Members continue to accrue benefits during Long Term Disability.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

Raytheon TI

Normal Retirement:

Eligibility:	Age 65
Amount:	The greater of: (1) 1.5% x years of service x Average Credited Earnings (ACE) offset by Retirement Age Factor x Final Average Earnings (FAE) x years of projected service at NRA (not more than 35) x ratio of service at termination to projected service at NRA (not to exceed 1). (2) $84 x years of service
Compensation:	Base pay, incentive pay, overtime pay, hazard pay
Average compensation:	ACE: Average of highest 5 consecutive calendar years FAE: The lesser of (a) average compensation for the 3-year period up to the year of termination (not more than the Social Security wage base) and (b) the average of Social Security wage bases during 35 years up to participant's Social Security Retirement Age
Retirement age factor:	For employees born before 1938: 0.75%; between 1938 and 1954: 0.70%; after 1954: 0.65%.

Early retirement:

Eligibility:	Age 60 with 5 years of service or age 55 with 20 years of service
Early retirement reduction:	1/3% reduction for each of the first 60 months prior to age 65; 7/24% reduction for each of the next 60 months. Different factors apply to offset.

Normal form:	Life annuity. Actuarially equivalent 50% Joint and Survivor for married participants.
Vesting:	5 years. Eligible for unreduced pension at age 65 and reduced pension at age 60.
Pre-retirement death benefits:	Surviving spouse eligible to receive benefit payable if participant had terminated on date of death and commenced payment as 50% J&S annuity and then died.
Benefit credit:	Equal to participation service (without age requirement of prior TI plan)
Disability:	Disabled employees with 5 or more years of vesting service are eligible for an annuity deferred to Normal Retirement Age computed based on compensation at the time of disability and service projected to Normal Retirement Age.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

E-Systems Waco

Normal Retirement:

Eligibility:	Age 65
Amount:	1% x Average Monthly Compensation (AMC) x years of benefit service up to 35 + 0.4% of AMC in excess of 150% of Covered Compensation x years of benefit service up to 35.
Compensation:	Base pay
Average compensation:	AMC: Average of highest consecutive 60 months out of last 180 months.

Early retirement:

Eligibility requirement:	Age 60 with 10 years of service
Early retirement reduction:	6% reduction for each year retirement precedes age 62.

Normal form:	Straight life annuity. Actuarially equivalent 50% Joint and Survivor for married participants.
Vesting:	5 years. Eligible for unreduced pension at age 65 and reduced pension at age 60 (with 10 years of service).
Pre-retirement death benefits:	Surviving spouse eligible to receive benefit payable if participant had terminated on date of death and commenced payment as a 50% joint and survivor annuity and then died.
Benefit credit:	From date of hire after 1/1/1990
Disability:	N/A

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

E-Systems Richardson

Normal Retirement:

Eligibility:	Age 65
Amount:	1.2% of Average Monthly Compensation (AMC) x years of benefit service up to 10 + 1.6% of AMC x years of benefit service over 10, not less than $144 times years of benefit service.
Compensation:	Base pay, incentive pay and overtime pay, commission
Average compensation:	Average of highest consecutive 60 months out of last 120 months

Early retirement:

Eligibility requirement:	Age 55 with 10 years of service (age 52 with 10 years of service if terminated due to layoff).
Early retirement reduction:	Age 60: 100% Age 59: 99% Age 58: 96% Age 57: 91% Age 56: 84% Age 55: 75%
Normal form:	5 year certain and life. Actuarially equivalent 50% Joint and Survivor for married participants
Vesting:	5 years. Eligible for unreduced pension for married participants at age 65 and reduced pension at age 55 (with 10 years of service).
Pre-retirement death benefits:	Surviving spouse eligible to receive benefit payable if participant had terminated on date of death and commenced payment as a 50% joint and survivor annuity and then died.
Benefit credit:	From date of hire after 1/1/1990
Disability:	N/A

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

E-Systems Salaried

Normal Retirement:

Eligibility:	Age 65 with 5 years of service
Amount:	1.2% of Average Monthly Compensation (AMC) x years of benefit service up to 10 + 1.6% of AMC x years of benefit service over 10, not less than $144 times years of benefit service.
Compensation:	Base pay, incentive pay, overtime pay, commission.
Average compensation:	AMC: Average of highest 60 consecutive calendar months out of last 120 months.

Early retirement:

Eligibility requirement:	Age 55 with 10 years of service
Early retirement reduction:	Age 60: 100% Age 59: 99% Age 58: 96% Age 57: 91% Age 56: 84% Age 55: 75%

Normal form:	5-Year Certain and Life. Actuarially equivalent 50% Joint and Survivor for married participants.
Vesting:	5 years. Eligible for unreduced pension at age 65 and reduced pension at age 55 (with 10 years of service).
Pre-retirement death benefits:	Surviving spouse eligible to receive benefit payable if participant had terminated on date of death and commenced payment as 50% joint and survivor annuity and then died.
Benefit credit:	From date of hire
Disability:	Disabled employees with 10 or more years of service are eligible for an annuity deferred to Normal Retirement Age computed based on compensation at the time of disability and service projected to Normal Retirement Age.

Attachment to 2009 Schedule B of Form 5500
Schedule B, line 6b – Description of Weighted Average Retirement Age
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

Age	Rate	Probability of Retiring	Age x Probability
55	5.00%	5.00%	2.75
56	5.00%	4.75%	2.66
57	5.00%	4.51%	2.57
58	7.00%	6.00%	3.48
59	7.00%	5.58%	3.29
60	10.00%	7.42%	4.45
61	10.00%	6.67%	4.07
62	15.00%	9.01%	5.59
63	15.00%	7.66%	4.82
64	15.00%	6.51%	4.17
65	50.00%	18.44%	11.99
66	50.00%	9.22%	6.09
67	50.00%	4.61%	3.09
68	50.00%	2.31%	1.57
69	50.00%	1.15%	0.80
70	100.00%	1.15%	0.81
			62.19

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 8c - Schedule of Active Participant Data
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

	Years of Service									
Age	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	16	50	--	--	--	--	--	--	--	--
	--	50,704	--	--	--	--	--	--	--	--
25 - 29	14	303	53	1	--	--	--	--	--	--
	--	61,680	63,682	--	--	--	--	--	--	--
30 - 34	11	157	98	70	--	--	--	--	--	--
	--	62,724	75,272	89,096	--	--	--	--	--	--
35 - 39	14	151	95	86	22	2	--	--	--	--
	--	68,808	67,144	86,546	102,616	--	--	--	--	--
40 - 44	7	187	102	99	111	44	3	--	--	--
	--	71,912	71,906	81,645	89,470	109,538	--	--	--	--
45 - 49	9	223	171	134	197	133	66	5	--	--
	--	75,827	77,246	79,303	86,001	120,531	114,607	--	--	--
50 - 54	8	144	116	119	154	98	79	30	1	--
	--	78,422	75,408	78,873	80,786	102,685	109,674	128,240	--	--
55 - 59	5	81	74	75	120	73	48	44	3	--
	--	80,789	73,643	78,164	74,005	94,507	93,021	126,332	--	--
60 - 64	1	16	51	39	115	39	24	25	6	3
	--	--	73,546	83,428	80,319	92,573	105,248	115,839	--	--
65 - 69	--	17	9	12	27	13	10	10	3	7
	--	--	--	--	92,676	--	--	--	--	--
70 & over	--	8	1	3	8	--	2	1	--	3
	--	--	--	--	--	--	--	--	--	--
Total	90	1373	770	638	754	402	232	115	13	13
	$52,768	$70,377	$73,322	$81,583	$83,226	$106,134	$105,970	$122,854	--	--

Note: Compensation above is limited to the IRS 401(a)(17) limitation (i.e. $245,000).

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 9c - Schedule of Funding Standard Account Charge Bases
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

FUNDING STANDARD ACCOUNT AMORTIZATION CHARGE BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Initial liability	03/11/2002	$114,336,974	$105,545,404	23.17	$9,059,396
Plan amendment (compensation limit $200,000 to $205,000)	01/01/2004	623,778	589,700	25	49,212
Actuarial loss	01/01/2005	5,861,362	1,347,650	1	1,347,650
Change in assumptions	01/01/2005	34,083,320	23,307,106	6	4,619,033
Plan amendment (compensation limit $205,000 to $210,000)	01/01/2005	823,965	788,320	26	64,899
Actuarial loss	01/01/2006	4,664,466	2,070,092	2	1,072,457
Plan amendment (compensation limit $210,000 to $220,000)	01/01/2006	1,714,434	1,660,866	27	135,036
Actuarial loss	01/01/2007	11,479,765	7,378,713	3	2,639,435
Plan amendment (compensation limit $220,000 to $225,000)	01/01/2007	1,018,657	998,216	28	80,233
Plan amendment (compensation limit $225,000 to $230,000)	01/01/2008	963,142	953,827	29	75,861
Actuarial loss	01/01/2009	53,286,109	53,286,109	5	12,251,578
Change in assumptions	01/01/2009	7,745,703	7,745,703	10	1,049,712
Plan amendment (compensation limit $230,000 to $245,000 and benefit accruals freeze for Greenville security officers)	01/01/2009	2,958,573	2,958,573	30	233,029
Total:			$208,630,279		$32,677,531

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 9j - Schedule of Funding Standard Account Credit Bases
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

FUNDING STANDARD ACCOUNT AMORTIZATION CREDIT BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Actuarial gain	01/01/2008	2,791,597	2,310,982	4	641,846
Total:			$2,310,982		$641,846

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 11 – Justification for Change in Actuarial Assumptions
L-3 Communications Integrated Systems Retirement
EIN 03-0391841 PN 017

(1) Plan actuarial assumptions such as retirement rates, turnover rates, and percent married assumptions were changed for funding purposes to better reflect anticipated plan experience.

(2) The assumed administrative expenses changed to $661,000 (previously, 0.75% of market value of assets, not less than $75,000)

L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN

Financial Statements as of
and for the Years Ended
December 31, 2009 and 2008

L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN
INDEX TO FINANCIAL STATEMENTS

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Statements of Changes in Net Assets Available for Pension Benefits for the Years Ended December 31, 2009 and 2008	4
Statements of Accumulated Plan Benefits and Changes in Accumulated Plan Benefits as of and for the Year Ended January 1, 2009	5
Notes to Financial Statements	6-16

Note: Supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted as the conditions under which they are required are not present.

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Report of Independent Auditors

To the Participants and Administrator of the
L-3 Communications Integrated Systems Retirement Plan:

In our opinion, the accompanying statements of net assets available for pension benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for pension benefits for the years then ended and the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the L-3 Communications Integrated Systems Retirement Plan (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of January 1, 2009, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, NY
August 26, 2010

L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PENSION BENEFITS
AS OF DECEMBER 31, 2009 and 2008
(Dollars in thousands)

	2009	2008
Assets:		
Investment in Master Trust, at fair value	$258,303	$199,307
Net assets held in 401(h) account	12,076	9,110
Total assets	270,379	208,417
Liabilities:		
Accrued expenses	326	209
Amounts related to obligation of 401(h) account	12,076	9,110
Total liabilities	12,402	9,319
Net assets available for pension benefits	$257,977	$199,098

The accompanying notes are an integral part of these financial statements.

L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PENSION BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Dollars in thousands)

	2009	2008
Additions:		
Net investment gain from Master Trust	$ 47,618	$ —
Employer contributions	16,182	48,785
Total additions	63,800	48,785
Deductions:		
Net investment loss from Master Trust	—	69,415
Benefit payments	3,556	2,865
Plan expenses	1,365	1,367
Total deductions	4,921	73,647
Net increase (decrease)	58,879	(24,862)
Net assets available for pension benefits, Beginning of period	199,098	223,960
Net assets available for pension benefits, End of period	$257,977	$199,098

The accompanying notes are an integral part of these financial statements.

L-3 COMMUNICATIONS INTEGRATED SYSTEMS RETIREMENT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND
CHANGES IN ACCUMULATED PLAN BENEFITS
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2009
(Dollars in thousands)

Statement of Accumulated Plan Benefits:	**January 1, 2009**
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	$ 33,075
Other participants	125,726
Total vested benefits	158,801
Non-vested benefits	31,946
Total actuarial present value of accumulated plan benefits	$ 190,747

Statement of Changes in Accumulated Plan Benefits:	**Year Ended January 1, 2009**
Actuarial present value of accumulated plan benefits as of January 1, 2008	$143,882
Increase (decrease) during the period attributable to:	
Change in actuarial assumptions	11,968
Benefits accumulated and actuarial experience	26,971
Increase for interest due to decrease in discount period	10,791
Benefits paid	(2,865)
Net increase	46,865
Actuarial present value of accumulated plan benefits as of January 1, 2009	$ 190,747

The accompanying notes are an integral part of these financial statements.

1. Plan Description

The following brief description of the L-3 Communications Integrated Systems Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan was established effective March 8, 2002 in connection with the acquisition of the Aircraft Integration Systems ("AIS") business of Raytheon Company ("Raytheon") by L-3 Communications Corporation (the "Company"), a wholly owned subsidiary of L-3 Communications Holdings, Inc. ("Holdings"). On that date, certain participants in certain pension plans ("the Prior Plans") of Raytheon became participants in the Plan. Following the acquisition, AIS was renamed L-3 Communications Integrated Systems, L.P.

The Plan is a defined benefit plan covering employees at certain locations of the Company. Participation in the Plan commences after the completion of one year of service and the attainment of age 21. The grandfathered provisions of one of the Prior Plans require certain participants to make contributions each payroll period to the Plan amounting to 3% of compensation earned. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan is frozen with respect to new participants hired on or after January 1, 2007. As such, any employees hired on or after January 1, 2007 are not eligible to participate in the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting.

On January 1, 2008, the Plan adopted the standards for fair value measurements. Refer to Note 6 for disclosures provided for fair value measurements of plan investments.

Investment in Master Trust

Investment assets of the Plan are maintained in the L-3 Communications Corporation Master Trust (the "Master Trust") administered by The Bank of New York Mellon, as Trustee. The Plan participates in the Master Trust along with other defined benefit plans sponsored by the Company (collectively, the "L-3 Participating Plans"). The only investment of the Plan is its interest in the net assets of the Master Trust. The fair value of the Plan's interest in the Master Trust is determined based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income (loss) less actual distributions and actual administrative expenses. Assets held in the Master Trust primarily consist of corporate equity securities, commingled trust funds and mutual funds, corporate bonds and Government and mortgage-backed securities. See Note 6 for a description of the valuation methodologies of the assets of the Master Trust.

The Master Trust records investment transactions on the trade-date, dividend income on the ex-dividend date, interest income as earned and determines realized gains and losses on sales of securities based on the average cost method.

Net Investment Gain (Loss) from Master Trust

The net investment gain (loss) from the Master Trust includes interest and dividend income and net appreciation or depreciation in the fair value of investments, which includes gains or losses realized upon disposition of investments and net unrealized appreciation or depreciation of investments. The net investment gain or loss is allocated to the L-3 Participating Plans based upon the relationship of each plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

401(h) Account

Effective September 13, 2003, the Plan was amended to include a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and is maintained in the Master Trust for the net assets related to the medical benefit component (401(h) account). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for health benefits are not included in this Plan's obligations in the statement of accumulated plan benefits but are reported as obligations in the financial statements of the health and welfare benefit plan. Plan participants do not contribute to the 401(h) account. Employer contributions to the 401(h) account are determined annually and are at the discretion of the Company. Certain of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h).

Benefit Payments

Benefit payments are recorded when paid.

Plan Expenses

The administrative expenses of the Plan are paid for by the Plan. Administrative expenses are charged to the Plan at the direction of the Company based upon the Plan's respective portion of the expense. Investment management fees of the Master Trust are allocated to the L-3 Participating Plans based upon the relationship of each plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, disclosures of contingent assets, liabilities and benefit obligations, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results will differ from those estimates.

Risks and Uncertainties

Plan contributions and the actuarial present value of accumulated plan benefits are determined based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

The investments held in the Master Trust are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the investments and related allocation reported in the Statements of Net Assets Available for Pension Benefits and the Statements of Changes in Net Assets Available for Pension Benefits.

Subsequent Events

The Plan continues to evaluate events after the Statement of Net Assets Available for Benefits date through August 26, 2010, the date the financial statements were available to be issued.

3. Contributions

Generally, the Company's funding policy is to contribute amounts in accordance with the Internal Revenue Code ("IRC") and the minimum funding requirements under ERISA. There were no contributions required from the Company in 2009 and 2008 to the Plan under the minimum funding requirements of ERISA. Contributions are calculated using the Entry Age Normal Actuarial Cost Method. Under this method, the total actuarial liability for participants is the actuarial present value as of the valuation date of all benefits attributed by the pension benefit formula to employee service rendered prior to that date, which assumes the normal cost will remain constant as a percentage of payroll for each employee as he or she approaches retirement age. The yield (interest, dividends and net realized and unrealized gains and losses) on investments of the Plan serves to adjust future contributions that will be required to provide for the defined level of benefits.

4. Plan Benefits

For those participants of the Plan who did not participate in the Prior Plans, the Plan provides a monthly benefit of 1.0% of a participants Average Monthly Compensation multiplied by years of benefit service up to 35 years plus 0.4% of Average Monthly Compensation in excess of 150% of Social Security Covered Compensation multiplied by years of benefit service up to 35 years. Average Monthly Compensation is derived from the 60 consecutive months for which compensation was the highest out of the last 180 consecutive months. Social Security Covered Compensation is defined as one-twelfth of the average of the social security taxable wage bases for each calendar year during the 35-year period ending with the calendar year in which the participant retires or terminates employment with the Company. Benefits vest 100% after 5 years of service and are payable at age 65. Service in the Prior Plans is considered as service under the Plan.

The following table presents the various grandfathered benefit provisions of the Plan. These benefit provisions are consistent with the benefit provisions of the Prior Plans and have been grandfathered to those employees who previously participated in such Prior Plans.

Specific Group Covered	Normal Benefit
Former participants in the Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	Richardson employees: 1.2% of Average Monthly Compensation times years of benefit service up to ten years plus 1.6% of Average Monthly Compensation times the years of benefit service in excess of ten years. Waco employees: 1% of Average Monthly Compensation times years of benefit service up to 35 years plus 0.4% of Average Monthly Compensation in excess of 150% of Social Security Covered Compensation times years of benefit service up to 35 years.
Former participants in the Raytheon Company Pension Plan for Salaried Employees	The greater of 1 or 2: 1) Final Average Earnings, as defined, less the Estimated Primary Social Security Benefit, as defined, times 1.8% for the first 20 years of participation and 1.2% for each year of participation in excess of 20 years. 2) Four hundred ninety two dollars times years of service.

Former participants in the Raytheon TI Systems Employees Pension Plan	The greater of 1 or 2: 1) 1.5% of Average Credited Earnings, as defined, times years of benefit service, minus a retirement age factor times Final Average Earnings, as defined, times projected service at normal retirement age times the ratio of service at termination to projected service at normal retirement age. 2) Eighty four dollars times years of benefit service.
Former participants in the E-Systems, Inc. Salaried Participants Retirement Plan	The greatest of 1, 2 or 3: 1) 1.2% of Average Monthly Compensation times years of benefit service up to ten years plus 1.6% of Average Monthly Compensation times the years of benefit service in excess of ten years. 2) Twelve dollars times years of benefit service. 3) If the participant has reached age 50 before January 1, 1991, then 1.5% times Average Monthly Compensation times years of benefit service, less 0.5% of the Primary Social Security Benefit, as defined, times years of benefit service
Former participants in the non-contributory benefit structure in the Raytheon Non-Bargaining Pension Plan	1.5% of the Final Average Monthly Compensation, as defined, times years of benefit accrual service up to 35 years plus 0.5% of Final Average Monthly Compensation for each year of participation in excess of 35 years, minus 0.6% of Final Average Monthly Compensation not in excess of Covered Compensation up to 35 years.

The Plan permits early retirement for participants at ages 55 to 64 with at least 5 or 10 years of service, depending on which set of grandfathered benefit provisions is applicable to the participant. Under all provisions, the benefit may begin at the date of early retirement, reduced by a certain percentage for each year by which commencement of benefits precedes the normal retirement date. Retirees may elect to receive their pension benefits in the form of a joint and survivor annuity or a life annuity payable monthly from the date of retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension payments commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life annuity, there are no continuing payments after the death of the retiree. If participants are terminated before completing 5 years of service, they forfeit the right to receive their accumulated benefits.

The following presents the more significant assumptions underlying the actuarial computations as of January 1, 2009 and 2008.

Mortality basis	RP-2000 Combined Healthy Table RP-2000 for Disabled Retiree Table
Retirement	Retirement at ages 55 to 70 (in 2009), 55 to 67 (in 2008) at varying rates, with 100% by age 70 (in 2009), 100% by age 67 (in 2008).
Discount rate for the determination of the present value of accumulated plan benefits	2009 and 2008 – 7.5%

The foregoing actuarial assumptions are based upon the assumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors may be used in determining the actuarial present value of accumulated plan benefits.

5. Master Trust

The fair value of the assets and liabilities of the Master Trust at December 31, 2009 and 2008 is presented in the table below. The Plan's percentage interest in the Master Trust was 23.6% at December 31, 2009 and 22.2% at December 31, 2008.

	2009	2008
Corporate equity securities	$ 607,388	$ 472,726
Commingled trust funds and mutual funds	416,646	342,850
Corporate bonds	66,470	58,145
Government and mortgage-backed securities	365	23,335
Forward contracts	292	180
Accrued income	2,195	2,996
Receivable for unsettled trades	1,301	2,464
Payable for unsettled trades	(1,667)	(5,011)
	$ 1,092,991	$ 897,685

The following presents the investment gain (loss) of the Master Trust for the years ended December 31, 2009 and 2008.

	2009	2008
Net appreciation (depreciation) of investments	$ 180,985	$ (399,368)
Interest	6,010	8,903
Dividends	19,690	22,505
Other	188	77
	$ 206,873	$ (367,883)

The following presents the net appreciation (depreciation) in fair value of the Master Trust's investments, including realized gains and losses, and the unrealized appreciation and depreciation of investments for the years ended December 31, 2009 and 2008.

	2009	2008
Corporate equity securities	$ 121,766	$ (300,847)
Commingled trust funds and mutual funds	39,365	(68,748)
Corporate bonds	20,449	(26,868)
Government and mortgage-backed securities	—	(5,710)
Forward contracts	(595)	2,805
	$ 180,985	$ (399,368)

6. *Fair Value Measurements*

Effective January 1, 2008, the Plan adopted the standards for fair value measurements. The provisions of the standards are applicable to all of the Plan's assets and liabilities that are measured and recorded at fair value. The standards establish a framework for measuring fair value and expand related disclosures. The standards define fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants. The standards establish a fair value hierarchy that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy defined by the standards are described below.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. The Plan's Level 1 assets include equity securities, certain mutual funds and U.S. Treasury bonds, all of which fair value is derived from quoted market prices.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. The fair value is determined using a valuation model based on observable market inputs. The Plan's Level 2 assets include commingled trust funds, certain mutual funds, corporate bonds, government securities and forward contracts.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data. The Plan has no Level 3 assets.

The following is a description of the valuation methodologies used for assets of the Master Trust, measured at fair value, including the general classification of such assets pursuant to the fair value hierarchy.

The fair value of *corporate equity securities* is based on quoted market prices available in active markets at the close of a trading day.

The units within the *commingled trust funds* are generally maintained at a constant fair value of approximately $1 per unit, which is determined by the fair values of the underlying securities, less the fund's liabilities, divided by the number of units outstanding.

The fair value of *mutual funds* is based on quoted Net Asset Values (NAV's) available in active markets at the close of a trading day. These funds are classified by the Company as Level 1 measurements within the fair value hierarchy. For those mutual funds that do not trade in active markets, the fair value is based on NAV's calculated by the fund manager using the closing quoted market prices of the underlying securities available in an active market. These mutual funds are classified by the Company as Level 2 measurements within the fair value hierarchy.

The fair values of the *corporate and foreign government bonds* are based on: (1) the closing price reported in an active market in which the bond is traded, (2) yields currently available on

comparable bonds of issuers with similar credit ratings, or (3) a cash flows approach that maximizes observable inputs.

The fair value of *U.S. Treasury bonds* is based on quoted market prices available at the close of a trading day in an active market.

Other consists primarily of *mortgage-backed securities*. The fair value for mortgaged-backed securities is generally based on available trade information in a non-active market or dealer quotes from comparable securities.

The table below reports by level, within the fair value hierarchy, the assets held in the Master Trust at fair value as of December 31, 2009 and 2008. As required by the standards, each asset is classified based on the lowest level of input that is significant to the fair value measurement.

	Fair Value Measurements Using Input Type							
	2009				2008			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Corporate equity securities	$607,388	$ -	$ -	$ 607,388	$ 472,726	$ -	$ -	$ 472,726
Commingled trust funds and mutual funds:								
Commingled trust funds	-	76,037	-	76,037	-	117,394	-	117,394
Mutual funds	126,094	214,515	-	340,609	77,442	148,014	-	225,456
Total commingled trust funds and mutual funds	126,094	290,552	-	416,646	77,442	265,408	-	342,850
Corporate and foreign government bonds		64,777	-	64,777	-	66,823	-	66,823
U.S. Treasury bonds	-	-	-	-	2,079	-	-	2,079
Other	-	2,351	-	2,351	-	12,758	-	12,758
Total investments measured at fair value	$ 733,482	$ 357,680	$ -	$ 1,091,162	$ 552,247	$344,989	$ -	$ 897,236

7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July, 31, 2008 that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable regulations of the IRC; therefore, no provision for income taxes has been included in the Plan's financial statements.

8. Related-Party Transactions

Certain plan investments held in the Master Trust are units of a commingled trust fund managed by The Bank of New York Mellon, the Plan's trustee.

9. Termination Priorities

While the Company has not expressed any intention to do so, it is free to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as specified by the Plan in accordance with ERISA, generally to provide the following benefits in the order indicated:

a. Benefits attributable to employee contributions, taking into account those paid out before termination.

b. Benefits attributable to participants who have retired at least three years before the termination date of the Plan or those participants who were eligible to retire and receive pension benefits at least three years before, but who did not elect to retire at that time.

c. Benefits commencing at retirement age to participants who are eligible to receive guaranteed benefits under ERISA.

d. All vested and non-vested benefits.

To the extent the Plan's net assets are not sufficient to fund the accumulated benefits upon Plan termination, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation, up to specified limits.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for pension benefits per the financial statements to the Form 5500 as of December 31, 2009:

	2009
Net assets available for pension benefits per the financial statements	$ 257,977
Net assets held in 401(h) account included as assets in the Form 5500	12,076
Net assets available for pension benefits per the Form 5500.	$ 270,053

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can be used only to pay retiree health benefits.

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500 for the year ended December 31, 2009:

	Amount per Financial Statements	401(h) Account	Amounts per Form 5500
Net investment gain from Master Trust	$47,618	$2,202	$49,820
Contributions	16,182	3,021	19,203
Benefit payments	3,556	2,232	5,788
Plan expenses	1,365	25	1,390