

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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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: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.	1b Three-digit plan number (PN) ▶ 002
		1c Effective date of plan 01/01/1995
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) POWER PARAGON, INC. 600 THIRD AVENUE NEW YORK, NY 10016-1901 901 E. BALL ROAD ANAHEIM, CA 92805	2b Employer Identification Number (EIN) 33-0638510 2c Sponsor's telephone number 212-697-1111 2d Business code (see instructions) 335900

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.	09/15/2010	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")

POWER PARAGON, INC.

600 THIRD AVENUE
NEW YORK, NY 10016-1901**3b** Administrator's EIN

33-0638510

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**

509

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**

280

b Retired or separated participants receiving benefits.....**6b**

91

c Other retired or separated participants entitled to future benefits.....**6c**

124

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

495

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

9

f Total. Add lines **6d** and **6e**.....**6f**

504

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**

1

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 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) ☒

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) ☒

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) ☒**R** (Retirement Plan Information)(2) ☐**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary(3) ☒**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary**b General Schedules**(1) ☒**H** (Financial Information)(2) ☐**I** (Financial Information - Small Plan)(3) ☐**A** (Insurance Information)(4) ☐**C** (Service Provider Information)(5) ☒**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
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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 <u>RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>POWER PARAGON, INC.</u>	D Employer Identification Number (EIN) <u>33-0638510</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>10666332</u>
b	Actuarial value 2b <u>11732965</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>98</u> <u>5906731</u>
b	For terminated vested participants 3b <u>120</u> <u>1675473</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>115667</u>
(2)	Vested benefits 3c(2) <u>5867155</u>
(3)	Total active 3c(3) <u>291</u> <u>5982822</u>
d	Total 3d <u>509</u> <u>13565026</u>
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 <u>8.14</u> %
6	Target normal cost 6 <u>1018021</u>

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	<u>09/08/2010</u>
Signature of actuary	Date
<u>AIDA DOMLIJA, FSA, MAAA</u>	<u>08-06955</u>
Type or print name of actuary	Most recent enrollment number
<u>SIBSON CONSULTING</u>	<u>212-251-5000</u>
Firm name	Telephone number (including area code)
<u>333 WEST 34TH STREET</u> <u>NEW YORK, NY 10001-2402</u>	
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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

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	86.49 %
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	0
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
35 Balances used to offset funding requirement		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

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
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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
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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**b** Name of
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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 <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>POWER PARAGON, INC.</u>	D Employer Identification Number (EIN) <u>33-0638510</u>	

Part I	Asset and Liability Statement
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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)	<u>777324</u>	<u>2011188</u>
(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)	<u>9908472</u>	<u>12054207</u>
(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)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	10685796	14065395

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	48642	60207
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	48642	60207

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10637154	14005188
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2011188	
(B) Participants	2a(1)(B)		
(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)		2011188

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)		
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(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)		2321600
(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		4332788

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	674661	
(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)		674661
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)	290093	
(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)		290093
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		964754

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3368034
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) ☒ 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 ☒ 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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	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?		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?		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?		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.).....		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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.			

- 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 <u>RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>POWER PARAGON, INC.</u>	D Employer Identification Number (EIN) <u>33-0638510</u>

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	<u>0</u>
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): <u>13-7074646</u>		
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	<u>5</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 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
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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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

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): _____

- 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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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): _____

Report of Independent Auditors

To the Participants and Administrator of the
Retirement Plan for Employees of Power Paragon, Inc.:

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for 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 Retirement Plan for Employees of Power Paragon, Inc. (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
September 8, 2010

RETIREMENT PLAN FOR EMPLOYEES
OF POWER PARAGON, INC.

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
INDEX TO FINANCIAL STATEMENTS

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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.

Report of Independent Auditors

To the Participants and Administrator of the
Retirement Plan for Employees of Power Paragon, Inc.:

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for 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 Retirement Plan for Employees of Power Paragon, Inc. (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
September 8, 2010

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2009 AND 2008
(Dollars in thousands)

	<u>2009</u>	<u>2008</u>
Assets:		
Investment in Master Trust, at fair value	\$ 12,054	\$ 9,909
Employer contribution receivable	<u>2,011</u>	<u>777</u>
Total assets	<u>14,065</u>	<u>10,686</u>
Liabilities:		
Accrued expenses	<u>60</u>	<u>49</u>
Net assets available for benefits	<u>\$14,005</u>	<u>\$10,637</u>

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Dollars in thousands)

	<u>2009</u>	<u>2008</u>
Additions:		
Net investment gain from Master Trust	\$ 2,322	\$ —
Employer contributions	<u>2,011</u>	<u>893</u>
Total additions.....	<u>4,333</u>	<u>893</u>
Deductions:		
Net investment loss from Master Trust.....	—	4,625
Benefit payments	675	659
Plan expenses	<u>290</u>	<u>399</u>
Total deductions	<u>965</u>	<u>5,683</u>
Net increase (decrease).....	3,368	(4,790)
Net assets available for benefits, Beginning of year	<u>10,637</u>	<u>15,427</u>
Net assets available for benefits, End of year	<u>\$14,005</u>	<u>\$10,637</u>

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
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	\$ 6,060
Other participants	7,875
Total vested benefits	13,935
Non-vested benefits	120
Total actuarial present value of accumulated plan benefits	<u>\$ 14,055</u>
Statement of Changes in Accumulated Plan Benefits:	Year Ended January 1, 2009
Actuarial present value of accumulated	
Plan benefits as of January 1, 2008	\$12,842
Increase (decrease) during the year attributable to:	
Change in actuarial assumptions	65
Benefits accumulated and actuarial experience	844
Increase for interest due to decrease in discount period.....	963
Benefits paid.....	<u>(659)</u>
Net increase.....	1,213
Actuarial present value of accumulated	
plan benefits as of January 1, 2009	<u>\$14,055</u>

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS
(Dollars in thousands)

1. Plan Description

The following brief description of the Retirement Plan for Employees of Power Paragon, Inc. (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan is a non-contributory defined benefit plan, which covers substantially all employees of Power Paragon, Inc., a subsidiary of L-3 Communications Corporation (the "Company"), a wholly owned subsidiary of L-3 Communications Holdings, Inc. ("Holdings"). Employees are eligible to participate in the Plan beginning on January 1st or July 1st following one year of service. The Plan is subject to the provisions of 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, 2008. As such, any employees hired on or after January 1, 2008 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.

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

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.

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 benefits and the statements of changes in net assets available for benefits.

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

Subsequent Events

The Plan continues to evaluate events after the Statement of Net Assets Available for Benefits date through September 8, 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. Contributions required from the Company in 2009 and 2008 to the Plan under the minimum funding requirements of ERISA were \$1,348 and \$116, respectively. Contributions are calculated using the Projected Unit Credit 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 increase each year 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

Participants are entitled to receive monthly pension benefits beginning at the normal retirement age of 65 equal to the sum of 0.65% of their Average Monthly Compensation plus an additional 1.30% of their Average Monthly Compensation in excess of their covered compensation multiplied by the number of years of service up to 35 years. Average Monthly Compensation is calculated by dividing total compensation (as defined) during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60. Benefits vest 100% after five years of service and are payable at age 65.

The Plan permits early retirement at ages 55 to 64 for participants with at least 10 years of service. The early retirement benefit will be determined by reducing the normal retirement benefit by the predetermined early retirement factors. The early retirement factors used are based on the benefit commencement date. Participants who do not complete 5 years of service forfeit the right to receive their accumulated benefits. Participants may choose to receive the value of their accumulated plan benefits as (i) a single life annuity option, (ii) a joint and survivor annuity option or (iii) a term-certain option payable monthly from retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits 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.

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

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 Disabled Retiree Table
Retirement	Retirement starting at 55, with 100% by age 65
Discount rate for the determination of the present value of accumulated plan benefits	2009 and 2008 – 7.5%

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

5. Master Trust

The fair value of the assets and liabilities of the Master Trust at December 31, 2009 and 2008 are presented in the table below. The Plan's percentage interest in the Master Trust was 1.1% at December 31, 2009 and December 31, 2008.

	<u>2009</u>	<u>2008</u>
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)
	<u>\$ 1,092,991</u>	<u>\$ 897,685</u>

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

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

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.

	<u>2009</u>	<u>2008</u>
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
	<u>\$ 180,985</u>	<u>\$ (399,368)</u>

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

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

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

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	<u>\$ 733,482</u>	<u>\$ 357,680</u>	<u>\$ -</u>	<u>\$ 1,091,162</u>	<u>\$ 552,247</u>	<u>\$344,989</u>	<u>\$ -</u>	<u>\$ 897,236</u>

7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 3, 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.

RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, INC.
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

9. Termination Priorities

Although the Company expects to continue the Plan indefinitely, it has the right to terminate the Plan in whole or in part at any time. Upon partial or complete termination of the Plan, the accrued benefit of each affected participant shall become 100 percent vested and the assets of the Plan shall be allocated by the Plan in accordance with ERISA, generally to provide benefits for affected participants in the following order of priority:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Annuity benefits which have been in pay status for at least three years prior to Plan termination.
- c. Annuity benefits which would have been paid to participants eligible to retire at least three years prior to Plan termination.
- d. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") up to the applicable limitations.
- e. All other vested and non-vested benefits.

Benefits under the Plan are insured by the PBGC in the event of Plan termination. Generally, the PBGC guarantees most vested normal and early age retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the monthly benefit amount that the PBGC guarantees.

10. Subsequent Event

Effective January 1, 2010, the Plan was merged with the SPD Technologies Retirement Plan to become the Marine and Power Systems Retirement Plan. The applicable provisions of the Marine and Power Systems Retirement Plan are identical to those of the Plan with respect to participants of the Plan.

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 RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF POWER PARAGON, INC.	D Employer Identification Number (EIN) 33-0638510
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	10666332
b Actuarial value		2b	11732965
3 Funding target/participant count breakdown		(1) Number of participants (2) Funding Target	
a For retired participants and beneficiaries receiving payment		3a	98 5906731
b For terminated vested participants		3b	120 1675473
c For active participants:			
(1) Non-vested benefits		3c(1)	115667
(2) Vested benefits		3c(2)	5867155
(3) Total active		3c(3)	291 5982822
d Total		3d	509 13565026
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	8.14%
6 Target normal cost		6	1018021

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		09/08/2010
Signature of actuary		Date
AIDA DOMLIJA, FSA, MAAA		0806955
Type or print name of actuary		Most recent enrollment number
SIBSON CONSULTING		212-251-5000
Firm name		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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

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	86.49 %
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

(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	0
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
35 Balances used to offset funding requirement		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

Attachment to 2009 Schedule SB of Form 5500
2009 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

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 RETIREMENT PLAN FOR EMPLOYEES OF POWER PARAGON, IN		B Three-digit plan number ... ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ. POWER PARAGON, INC.		D Employer Identification Number 33-0638510
E Type of plan: (1) ☐ Multiemployer (2) ☒ 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)	10685796
(2) Actuarial value of assets for funding standard account	b(2)	12822955
c (1) Accrued liability for plans using immediate gain methods	c(1)	16490328
(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**

Aida Domlija

Signature of actuary

9/8/2010

Date

G 08-06955

Most recent enrollment number

212-251-5000

Telephone number (including area code)

AIDA DOMLIJA, FSA, MAAA

Type or print name of actuary

SIBSON CONSULTING

Firm name

333 WEST 34TH STREET

NEW YORK

NY 10001-2402

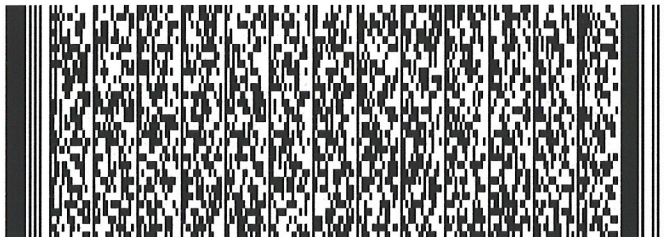
Address of the firm

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. ☐

For Paperwork Reduction Act Notice and OMB Control Numbers,
see the instructions for Form 5500 or 5500-EZ.

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Schedule B (Form 5500) 2007



0 8 0 7 3 5 0 1 0 0



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)	16023637
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	824961
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	16023637
(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)	799118

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)		2a	10637154	
b	"RPA '94" current liability:	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
	(1) For retired participants and beneficiaries receiving payments	98	6631624	6631624
	(2) For terminated vested participants	120	2062130	2062130
	(3) For active participants	291	7132910	7329883
	(4) Total	509	15826664	16023637
c If the percentage resulting from dividing line 2a by line 2b(4), column (3) is less than 70%, enter such percentage				
		2c	66.38%	

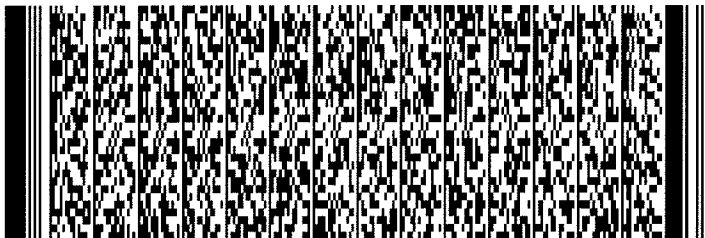
3 Contributions made to the plan for the plan year by employer(s) and employees:

(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
04/15/2010	331587				
07/15/2010	331587				
09/08/2010	1348014				
3 Totals ▶ (b)				2011188	(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	102.4%
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



0 8 0 7 3 5 0 2 0 P



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

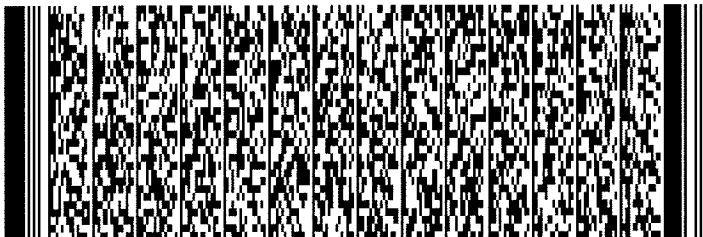
class) approving the change in funding method _____ Month _____ Day _____ Year

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** 63 ☐ N/A**c** Rates specified in insurance or annuity contracts ☒ N/A **6c**

Pre-retirement		Post-retirement	
Yes	No	Yes	No
☐	☐	☐	☒

☒ N/A**d** Mortality table code for valuation purposes:(1) Males **d(1)** A ☐ N/A(2) Females **d(2)** A ☐ N/A**e** Valuation liability interest rate ☐ N/A **6e** 7.50% ☐ N/A**f** Expense loading ☐ N/A **6f** 52.0% ☒ N/A**g** Annual withdrawal rates:(1) Age 25 **g(1)** S 26.00% ☐ N/A(2) Age 40 **g(2)** S 14.00% ☐ N/A(3) Age 55 **g(3)** S 0.00% ☐ N/A**h** Salary scale ☐ N/A **6h** 4.90% ☐ N/A**i** Estimated investment return on actuarial value of assets for year ending on the valuation date **6i** -16.3%**j** Estimated investment return on current value of assets for year ending on the valuation date **6j** -30.4%**7** New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	3859434	887364
3	60632	4776
4	-285776	-38729

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

0 8 0 7 3 5 0 3 0 Q



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 accordance 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	1040225
c Amortization charges as of valuation date:		
(1) All bases except funding waivers	Outstanding Balance	
(2) Funding waivers	▶ (\$ 5656127)	c(1) 1160154
	▶ (\$ 0)	c(2) 0
d Interest as applicable on lines 9a, 9b, and 9c	9d	165028
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	2365407

Credits to funding standard account:

h Prior year credit balance, if any	9h	777348
i Employer contributions. Total from column (b) of line 3	9i	2011188
j Amortization credits as of valuation date	Outstanding Balance	
k Interest as applicable to end of plan year on lines 9h, 9i, and 9j	▶ (\$ 661803)	9j 169064
l Full funding limitation (FFL) and credits:		
(1) ERISA FFL (accrued liability FFL)	l(1)	8193764
(2) "RPA '94" override (90% current liability FFL)	l(2)	2861314
(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	3028581
o Credit balance: If line 9n is greater than line 9g, enter the difference	9o	663174
p Funding deficiency: If line 9g is greater than line 9n, enter the difference	9p	

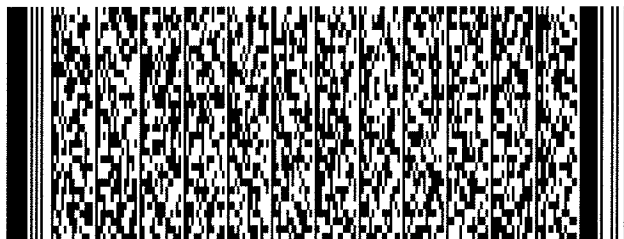
Reconciliation account:

q Current year's accumulated reconciliation account:		
(1) Due to additional funding charges as of the beginning of the plan year	q(1)	549603
(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)	549603

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



0 8 0 7 3 5 0 4 0 R



Part II Additional Information for Certain Plans Other Than Multiemployer PlansPlease 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

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

- c**
- Adjusted value of assets (see instructions)

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

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

- f**
- Liability attributable to any unpredictable contingent event benefit

- g**
- Outstanding balance of unfunded old liability

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

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

- j**
- Unfunded old liability amount

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

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

m Unpredictable contingent event amount:

- (1)**
- Benefits paid during year attributable to unpredictable contingent event

- (2)**
- Unfunded current liability percentage. Subtract the percentage on line 12d from 100%

- (3)**
- Enter the product of lines 12m(1) and 12m(2)

- (4)**
- Ammortization of all unpredictable contingent event liabilities

- (5)**
- "RPA '94" additional amount (see instructions)

- (6)**
- Enter the greatest of lines 12m(3), 12m(4), or 12m(5)

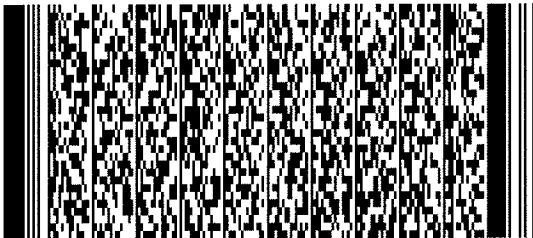
- n**
- Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest

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

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

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

12a	80.0%
12b	
12c	
12d	%
12e	
12f	
12g	
12h	
12i	
12j	
12k	
12l	
m(1)	
m(2)	%
m(3)	
m(4)	
m(5)	
m(6)	
12n	
12o	
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
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

Net investment return:	7.50%
Interest rate for determination of current liability and maximum deductible contribution:	
<i>Current Liability:</i>	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.
<i>Maximum Deductible Contribution:</i>	As mandated by the Pension Protection Act of 2006 and based on recently released guidance, the interest rates used are the October 2008 full spot yield curve. The effective interest rate is 8.14%. 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 rates were from the 24-month average of corporate bond yields ending in August 2007 without a phase-in from the current liability rate.)
Section 415 Limit:	\$195,000 (previously, \$185,000)
Section 401(a)(17) Limit:	\$245,000 (previously, \$230,000)
Mortality rates:	
<i>Healthy:</i>	RP 2000 Combined Healthy Mortality Table (sex distinct)
<i>Disabled:</i>	RP 2000 Disabled Retiree Mortality Table (sex distinct)
<i>Current Liability and Maximum:</i>	The RP-2000 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 the same, 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
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

Salary scale:

Hourly: 4.5%

Salaried:

Age	Annual Increase
20	7.5%
25	7.0%
30	6.5%
35	6.0%
40	5.5%
45	5.0%
50	4.5%
55	4.0%
60	3.5%

Termination rates:

Age	First 5 Years Of Service	After First 5 Years Of Service
20	30%	15.0%
25	26%	13.0%
30	22%	11.0%
35	18%	9.0%
40	14%	7.0%
45	12%	6.0%
50	10%	5.0%
55	0%	0.0%

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
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Previously:

Age	First 5 Years Of Service	After First 5 Years Of Service
20	20%	10.0%
25	15%	7.5%
30	12%	6.0%
35	10%	5.0%
40	7%	3.5%
45	5%	2.5%
50	3%	1.5%
55	0%	0.0%

Retirement rates for actives:

Age	Rate
55 – 59	2%
60	5%
61	5%
62	10%
63	10%
64	10%
65	100%

**Average retirement age
for Schedule B:** 63

Retirement age for terminated vested: 65

Social Security Benefits: Increase in national average wage base of 4.5% per annum.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
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Percent married:	70% for male participants and 55% for female participants, with males 3 years older. (Previously, 90% of the participants are assumed to be married, with males 3 years older).
Actuarial value of assets:	<p>The actuarial value of assets is determined by subtracting item 2 from item 1:</p> <ol style="list-style-type: none"> 1) Market value of assets 2) Percentage of the previous four years' gain/(loss) due to market value investment return greater/(less) than expected that have not been previously recognized in the actuarial value of assets <p>The gain/(loss) due to investment return is recognized over four years. The actuarial value of assets is further limited to not less than 80% or greater than 120% of market value.</p> <p>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.</p>

Actuarial cost method:	<p>Projected Unit Credit</p> <p>This cost method develops the annual cost or expense of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal or service cost; and that due to service earned 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.</p> <p>The normal cost is the present value of the portion of projected benefits that is attributable to service accrued in the current year. The unfunded actuarial liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated. The unfunded actuarial liability is paid off in accordance with a specified amortization procedure.</p>
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Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
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Under the projected unit credit cost method, if actual plan experience is close to the assumptions, the normal cost will increase each year 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.

Non-participants are not funded for.

Administrative Expenses:	\$356,000 (previously, 1% of market value of assets without receivable contributions, not less than \$175,000).
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Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
Retirement Plan for Employees of Power Paragon
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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.		
Normal Retirement:			
<i>Age requirement:</i>	65		
<i>Service requirement:</i>	1 year of vesting service.		
<i>Compensation:</i>	Defined as total annual compensation actually paid by employer, including elective contributions or deferrals made by the employer on behalf of the employee that are not includible in gross income. Compensation is capped at \$245,000 (adjusted for cost of living, as provided by Code Section 401(a)(17)). Average Monthly Compensation is attained by dividing total compensation during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60.		
<i>Amount:</i>	0.65% multiplied by Credited Service (not to exceed 35 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.30% multiplied by Credited Service (not to exceed 35 years) times the participant's Average Monthly Compensation in excess of Monthly Covered Compensation.		
<i>Minimum amount:</i>	For Grandfathered Participants a minimum benefit equal to (a) – (b), as defined below. For purposes of computing the Grandfather Minimum Benefit, Credited Service includes service under the current plan as well as Teledyne and MagneTek Plans. (a) 1.00% multiplied by Credited Service (not to exceed 30 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.65% multiplied by Credited Service (not to exceed 30 years) and the participant's Average Monthly Compensation in excess of Monthly Covered Compensation.		

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
Retirement Plan for Employees of Power Paragon
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(b) MagneTek Plan accrued benefit plus any transition credits at Severance from Service Date converted to a life annuity with 120 months certain benefit.

Grandfathered Participants are employees covered by the Teledyne Plan on October 30, 1992, who were age 45 with 5 years of vesting service and age plus service at least equal to 60 on October 30, 1992, who became participants in the MagneTek Plan on October 31, 1992, and who commenced participation in the plan on January 1, 1995.

Early Retirement:	
<i>Age requirement:</i>	55
<i>Service requirement:</i>	10 years of Vesting Service
<i>Amount:</i>	Accrued normal retirement benefit reduced by actuarial equivalent factors for early commencement.
<i>Early commencement reduction:</i>	Based on actuarial equivalence using 1984 Unisex Pension Mortality Table with an interest rate of 7-1/2%.
Deferred Retirement:	
Additional accruals to actual retirement date.	
Disability:	
<i>Service requirement:</i>	5 years of Vesting Service
<i>Benefit:</i>	Accrued Benefit calculated using level Compensation from disability until age 65 or benefit commencement date and Credited Service from employment commencement date to age 65 or benefit commencement date. If benefits commence before age 65, an actuarial equivalent reduction will be applied for early commencement.
Termination Benefit:	
<i>Age requirement:</i>	None
<i>Service requirement:</i>	5 years of Vesting Service
<i>Amount:</i>	Accrued benefit payable at age 65, reduced by actuarial equivalent factors at benefit commencement if benefit commencement is prior to age 65 (requires 10 years of service for early commencement).
<i>Vesting percentage:</i>	100% after 5 years of Vesting Service.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
Retirement Plan for Employees of Power Paragon
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Pre-retirement Death Benefits:

Age: None
Service: 5 years of Vesting Service
Amount: 50% of the benefit the employee would have received had he retired the day before he died and elected the 50% joint and survivor option, payable at the earliest retirement date of the employee.

Normal form of benefit:

Life annuity with 120 months certain for unmarried participants. For married participants, a joint and 50% survivor annuity, which is actuarially equivalent to a life annuity.

Optional forms of benefit:

Life Annuity
Life Annuity with 120 months certain
Joint and 50% survivor annuity
Joint and 66-2/3% survivor annuity
Joint and 75% survivor annuity

Lump sum benefit:

Benefits with a present value of less than \$5,000 are automatically cashed out. If present value of benefit is over \$5,000 but less than or equal to \$20,000, the participant can elect the lump sum payment.

Participation:

Age requirement: None
Service requirement: 1 year of Vesting Service

Participation begins on the January 1 or July 1 following one year of Vesting Service.

Credited Service:

Service from the later of date of hire or November 23, 1994.

Credited Service is given from October 30, 1992 if the employee was a participant in the Teledyne Plan as of October 30, 1992 and at least 45 years of age. Additionally, employee must have at least 5 years of Vesting Service with age and service greater than or equal to 60, and then have become a participant in the MagneTek Plan on October 31, 1992 prior to becoming a participant in this Plan in January 1995.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
Retirement Plan for Employees of Power Paragon
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Vesting Service:

Service from later of date of hire or November 23, 1994.

**Date of Most Recent Plan
Amendments:**

January 1, 2007 – to freeze the plan as of January 1, 2007 so that employees hired on or after that date should not be eligible to participate in the plan.

September 1, 2007 – Amendment # 1 - the definition of compensation excludes all severance payments whether paid in a lump sum or a salary continuation and payments for unused vacation or sick leave payments and vested stock based awards.

January 1, 2008 – Amendment # 2 - 75% of survivor annuity was added to optional form of payment.

January 1, 2008 – Amendment # 3 – pertains to plan provisions that do not impact the valuation.

Attachment to 2009 Schedule B of Form 5500
Schedule B, line 6b – Description of Weighted Average Retirement Age
Retirement Plan for Employees of Power Paragon
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<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>
55	2.00%	2.00%	1.10
56	2.00%	1.96%	1.10
57	2.00%	1.92%	1.09
58	2.00%	1.88%	1.09
59	2.00%	1.84%	1.09
60	5.00%	4.52%	2.71
61	5.00%	4.29%	2.62
62	10.00%	8.16%	5.06
63	10.00%	7.34%	4.63
64	10.00%	6.61%	4.23
65	100.00%	59.47%	38.66
			63.37

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 8c - Schedule of Active Participant Data
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

Age	Years of Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
Under 25	--	3	--	--	--	--	--	--	--	--
25 - 29	--	4	1	--	--	--	--	--	--	--
30 - 34	--	--	2	2	--	--	--	--	--	--
35 - 39	--	2	9	10	--	--	--	--	--	--
40 - 44	--	3	5	19	--	--	--	--	--	--
45 - 49	--	8	17	41	--	--	--	--	--	--
50 - 54	--	8	17	40	--	--	--	--	--	--
55 - 59	--	4	16	39	--	--	--	--	--	--
60 - 64	--	2	7	16	--	--	1	--	--	1
65 - 69	--	1	3	6	--	2	--	--	--	--
70 & over	--	--	--	2	--	--	--	--	--	--
Total	--	35	77	175	--	2	1	--	--	1

Note: Service prior to December 1, 1994 is not included in credited service (other than for MagneTek employees who had prior service under a prior plan).

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 9c - Schedule of Funding Standard Account Charge Bases
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

FUNDING STANDARD ACCOUNT AMORTIZATION CHARGE BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Initial liability	01/01/1995	\$607,170	\$474,832	16	\$48,319
Plan amendment	01/01/2000	52,133	46,182	21	4,125
Plan amendment	01/01/2002	134,825	123,697	23	10,648
Plan amendment	01/01/2004	22,615	21,361	25	1,783
Actuarial loss	01/01/2005	79,783	18,344	1	18,344
Change in assumptions	01/01/2005	907,626	620,660	6	123,003
Plan amendment	01/01/2005	25,708	24,596	26	2,025
Plan amendment	01/01/2006	37,401	36,232	27	2,946
Change in assumptions	01/01/2007	404,407	345,091	8	54,806
Plan amendment	01/01/2007	25,580	25,066	28	2,015
Actuarial loss*	01/01/2009	3,859,434	3,859,434	5	887,364
Plan amendment	01/01/2009	60,632	<u>60,632</u>	30	<u>4,776</u>
Total:			\$5,656,127		\$1,160,154

* Base is not equal to actual loss due to last year's overfunding.

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 9j - Schedule of Funding Standard Account Credit Bases
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

FUNDING STANDARD ACCOUNT AMORTIZATION CREDIT BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Change in assumptions	01/01/2002	\$210,158	\$80,061	3	\$28,639
Actuarial gain	01/01/2006	142,836	63,391	2	32,841
Actuarial gain	01/01/2007	82,871	53,265	3	19,054
Actuarial gain	01/01/2008	216,601	179,310	4	49,801
Change in assumptions	01/01/2009	285,776	<u>285,776</u>	10	<u>38,729</u>
Total:			\$661,803		\$169,064

Attachment to 2009 Schedule B of Form 5500
Schedule B, Line 11 - Justification for Change in Actuarial Assumptions
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002

- (1) Plan actuarial assumptions such as turnover rates and percent married assumptions were changed for funding purposes to better reflect anticipated plan experience.
- (2) The assumed administrative expenses changed to \$356,000 (previously, 1.0% of market value of assets, not less than \$175,000)

**Attachment to 2009 Schedule B of Form 5500
Change in Actuary
Retirement Plan for Employees of Power Paragon
EIN 33-0638510 PN 002**

Due to a reassignment of cases within the same actuarial firm, the signing actuary has been changed since the 2008 Form 5500 from June Zieve, Enrollment Number 08-01424 to Aida Domlija, Enrollment Number 08-06955.