

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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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:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN	1b Three-digit plan number (PN) ▶ 004
	1c Effective date of plan 08/01/1971
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) FRICTION PRODUCTS CO. 200 PUBLIC SQUARE, SUITE 1500 CLEVELAND, OH 44114	2b Employer Identification Number (EIN) 34-1608009 2c Sponsor's telephone number 216-861-3553 2d Business code (see instructions) 332900

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.	10/01/2010	THOMAS GILBRIDE
	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") FRICTION PRODUCTS CO. 200 PUBLIC SQUARE, SUITE 1500 CLEVELAND, OH 44114	3b Administrator's EIN 34-1608009 3c Administrator's telephone number 216-861-3553
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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
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5 Total number of participants at the beginning of the plan year	5	330
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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	137
b Retired or separated participants receiving benefits.....	6b	66
c Other retired or separated participants entitled to future benefits.....	6c	120
d Subtotal. Add lines 6a , 6b , and 6c	6d	323
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	4
f Total. Add lines 6d and 6e	6f	327
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	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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 3H 1I

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
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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>FRITION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FRITION PRODUCTS CO.</u>	D Employer Identification Number (EIN) <u>34-1608009</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>16241540</u>
b	Actuarial value 2b <u>16241540</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>66</u> <u>10348291</u>
b	For terminated vested participants 3b <u>111</u> <u>3208498</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>2164457</u>
(2)	Vested benefits 3c(2) <u>4389522</u>
(3)	Total active 3c(3) <u>151</u> <u>6553979</u>
d	Total 3d <u>328</u> <u>20110768</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>6.31</u> %
6	Target normal cost 6 <u>92000</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>09/14/2010</u>
Signature of actuary	Date
<u>MARGARET W. FUREY</u>	<u>08-04849</u>
Type or print name of actuary	Most recent enrollment number
<u>PRIAC</u>	<u>860-534-2895</u>
Firm name	Telephone number (including area code)
<u>P.O. BOX 2975</u> <u>HARTFORD, CT 06104-2975</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)	24926	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	24926	0
10	Interest on item 9 using prior year's actual return of <u>-25.20</u> %	-6281	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		3170195
b	Interest on (a) using prior year's effective rate of <u>6.10</u> %		193382
c	Total available at beginning of current plan year to add to prefunding balance		3363577
d	Portion of (c) to be added to prefunding balance.....		134279
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	18645	134279

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
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	91.10 %
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	
04/15/2009	77122		
07/15/2009	77122		
10/15/2009	77122		
01/19/2010	77122		
08/19/2010	390255		
		Totals ►	18(b) 698743
			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 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 648279
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
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.09 %	2nd segment: 6.16 %	3rd segment: 6.58 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 60
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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
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	92000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	4022154	708782
b Waiver amortization installment	0	0
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	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	800782
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	18645	134279
36 Additional cash requirement (item 34 minus item 35).....	36	647858
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	648279
38 Interest-adjusted excess contributions for current year (see instructions).....	38	421
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FRICTION PRODUCTS CO. EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 FRICTION PRODUCTS CO.	D Employer Identification Number (EIN) 34-1608009	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MANNING AND NAPIER

16-0995736

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	18221	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TRANSAMERICA

06-1564377

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	10592	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	49419	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

LEGACY

34-1542819

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	NONE	24975	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GRANT THORNTON

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	9961	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

HUNTINGTON BANK

31-0966785

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	10000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FRITION PRODUCTS CO. EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 FRITION PRODUCTS CO.	D Employer Identification Number (EIN) 34-1608009	

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	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3005179	467377
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	20792	40328
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	500640	653317
(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)	3468279	5261637
(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)		
(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)	8274733	13001883
(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)	996000	1056600
(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	16265623	20481142

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		77967
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	77967

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16265623	20403175
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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)	726640	
(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)		726640

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)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	530025	
(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)		530025

(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)		0

		(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)		0
(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)		
(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)		4041642
c Other income.....	2c		54
d Total income. Add all income amounts in column (b) and enter total.....	2d		5298361

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1021026	
(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)		1021026
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	139783	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		139783
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1160809

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4137552
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: GRANT THORNTON

(2) EIN: 36-6055558

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		5000000
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.		X	

- 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)

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

A Name of plan <u>FRICION PRODUCTS CO. EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FRICION PRODUCTS CO.</u>	D Employer Identification Number (EIN) <u>34-1608009</u>

Part I	Distributions
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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>22-1211670</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>0</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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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): _____



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Report of Independent Certified Public Accountants

Plan Administrator
Friction Products Co. Employees Pension Plan

We were engaged to audit the accompanying financial statements of the Friction Products Co. Employees Pension Plan (the Plan) as of December 31, 2009 and 2008 and for the year ended December 31, 2009, and the supplemental schedules as of and for the year ended December 31, 2009 as listed in the table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Huntington National Bank N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Grant Thornton LLP

Cleveland, Ohio
September 15, 2010

ACTUARIAL COST METHOD

Actuarial Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants.

Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 3 months prior to the valuation date.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section (Appendix E) for additional detail.

Asset Valuation Method

Assets have been valued in accordance with generally accepted procedures as described below.

Funds invested in the General Accounts of an insurance company.	Stated contract value of funds
---	--------------------------------

Funds invested in insurance company Separate Accounts.	Market value
--	--------------

PLAN ASSUMPTIONS

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

Mortality:

Funding:

Male: The IRS 2009 Static Mortality Table (male)

Female: The IRS 2009 Static Mortality Table (female)

Accounting:

Male: The IRS 2009 Static Mortality Table (male)

Female: The IRS 2009 Static Mortality Table (female)

Termination:

The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	93.9%	93.9%
25	89.8%	89.8%
30	83.1%	83.1%
35	72.8%	72.8%
40	58.0%	58.0%
45	38.8%	38.8%
50	18.4%	18.4%

This is Crocker T-7

Retirement Age:

For Participants with less than 80 points or those hired after January 1, 2002, age 65. For all others, the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum service 20).

PLAN ASSUMPTIONS (CONT'D)

Investment Return:

Funding:

Non-transitional segment rates with a 3 month look-back:
October 2008 rates, 5.09%, 6.16%, and 6.58%.

Accounting:

7.00% per annum, compounded annually, net of investment and contract fees.

Estimated Expenses:

\$92,000

Salary Scale:

None

Social Security

Primary Insurance Amount

Not Applicable

Covered Compensation

Not Available

Survivor's Benefit:

It is assumed that husbands are 3 years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

Disability:

The 1952 Disability Study of the Society of Actuaries, Period 2, Benefit 5 rates were used.

PLAN PROVISIONS

Earnings	W-2 Earnings maximized at \$200,000 as indexed. Effective 5/31/2006, the Plan froze.
Final Earnings	The average of the highest three consecutive years out of the last six.
Service	Prior to January 1, 1987, Service is determined in accordance with the Plan in effect on December 31, 1986. Beginning January 1, 1987, an employee shall be credited with one year of Service for each Plan Year during which he has 1,000 hours.
Credited Service	Credited Service prior to August 1, 1976: a Participant's Credited Service shall be based on his Service. Beginning August 1, 1976, a Participant shall earn one year of Credited Service for each Plan Year in which he has at least 1,000 hours of Service.. Effective 5/31/2006, the Plan froze, and there will be no future accruals.
Form of Annuity	Life annuity
Normal Retirement Date	Age 65 or the date that an active Participant completes 20 or more years of service and his/her age plus service equals 80 or more.
Participation Eligibility	One year of Service, hired before age 60 and hired prior to January 1, 2004.
Benefit Formula	Accrued Benefit to 12/31/1988: 35% of the first \$24,000 plus 50% in excess multiplied by Credited Service to 12/31/1988. Accrued Benefit after 12/31/1988: 45% of compensation multiplied by Credited Service after 12/31/1988. All retirement benefits are to be prorated for Service before and after 12/31/1988 and shall be reduced by 6 $\frac{2}{3}$ % for each year of Service less than 15 at retirement. Effective 5/31/2006, the Plan froze, and there will be no future accruals.
Income Payable	Amount described in (a) or (b) below, whichever applies: a. If a Participant has a spouse as of retirement date and does not elect otherwise, retirement benefits will be paid on the basis of a Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula, multiplied by the appropriate factor.

PLAN PROVISIONS (CONT'D)

Income Payable (cont'd)

- b. If a Participant either has no spouse as of his retirement date, or elects to receive income under the Normal Form, retirement income will be the amount determined under the benefit formula.

Early Eligibility

Age 60 and the completion of 10 years of Service.

Special Early Retirement

For Participants hired before January 1, 2002, beginning at age 55 with 20 or more years of Service, if the sum of age plus service equals 80 or more. The accrued benefit is unreduced, and commences immediately.

Early Benefit Amount

Benefit accrued to Early Retirement Date, reduced by 7.2% per year that Early Retirement Date precedes Normal Retirement Date.

Vesting Schedule

Completion of five years of Service. Effective 31, May 2009 all active Participants became 100% vested.

Vested Benefit

Benefit accrued to date of termination, payable at Normal Retirement Date.

Preretirement Spouse Benefit

A. Eligibility

Eligible for Early Retirement, married.

Benefit Formula

50% of the pension benefit accrued to date of death, reduced by the appropriate early retirement and joint and survivor factors.

B. Eligibility

Eligible for vesting but not eligible for early retirement, married.

Benefit Formula

50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased participant and reduced by the appropriate early retirement and joint and survivor factors.

Disability Benefit

A. Eligibility

Permanent and total disability occurring while as active participant, provided that the participant's age plus service equals 65 or more.

Benefit Formula

Benefit accrued to date of Disability.

DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Employees as of January 1, 2009 -- Distribution by Age and Service

Attained Age	Years of Credited Service										
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40+</u>	<u>Total</u>
Under 25											
25-29		1									1
30-34		5	7	3							15
35-39		7	12	6							25
40-44		7	13	3	7						30
45-49		1	8	3	1	2	4				19
50-54		8	12	5	2	1	8				36
55-59		5	5	1	2						13
60-64		5	5	1							11
65-69		1									1
70 +											
Total		40	62	22	12	1	12				151

SECTION IV

MINIMUM CONTRIBUTION AMORTIZATION

The interest rates and corresponding present value factors as of January 1, 2009 are reflected below. Also shown are prior year amortization values and the development of the amortization for the 2009 plan year.

I. Interest Rate Table - Calculation of Shortfall Amortization Factors

<u>Year</u>	<u>Applicable Interest Rate</u>	<u>Discount Factor</u>	<u>Present Value Factor</u>
1	5.09%	1.000	1.000
2	5.09%	0.952	1.952
3	5.09%	0.905	2.857
4	5.09%	0.862	3.719
5	5.09%	0.820	4.539
6	6.16%	0.742	5.280
7	6.16%	0.699	5.979

II. Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>PV Factor</u>	<u>Present Value</u>
2008	308,489	5.280	1,628,882
2007	0	4.539	0
2006	0	3.719	0
2005	0	2.857	0
2004	0	1.952	0
2003	0	1.000	0
	\$308,489		\$1,628,882

III. Current Year Amortization

Exemption from Current year Amortization	No
1. Funding Shortfall to be amortized ¹	\$4,022,154
2. Present Value of Prior Year Amortization Installments	1,628,882
3. Current Year Amortization Base (1 - 2)	2,393,272
4. Shortfall Amortization Factor	5.978803
5. Current Year Amortization Installment (3 divided by 4)	400,293
6. Sum of Prior Year Amortization Installments	308,489
7. Net Shortfall Amortization Charge (5 + 6)	\$708,782

¹ The Funding Shortfall to be amortized is calculated as (20110767 * 1) - 16088614

Friction Products Company Employees Pension Plan
EIN/PN 34-1608009 004
01/01/2009
Schedule SB, line 22 - Description of Weighted Average Retirement Age

Age	Frequency
55	49
56	3
57	9
58	7
59	12
60	5
61	4
62	2
64	5
65	55

59.95364238

60

We first determined the Retirement age under the Rule of 80, subject to the minimum age of 55 or service of 20 years and the Normal Retirement age of 65, whichever occurred first
A frequency distribution was used to determine the number of Actives retiring at each Integral age and a weighted average was then calculated.

Friction Products Company Employees Pension Plan
EIN/PN 34-1608009 004
01/01/2009
Schedule SB, line 19 - Discounted Employer Contributions

Display of Discounted Contributions

Date Paid	Employer Contribution	Discounted to Jan. 1, 2009	Plan Year
4/15/2009	\$77,122	\$75,789	2009
7/15/2009	\$77,122	\$74,642	2009
10/15/2009	\$77,122	\$73,499	2009
1/19/2010	\$77,122	\$72,325	2009
8/19/2010	\$390,255	\$352,024	2009

The applicable effective interest rate is 6.31% . The applicable effective interest rate for the late quarterly contribution is 11.31%.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

FRITION PRODUCTS CO. EMPLOYEES PENSION PLAN

B Three-digit
plan number (PN) ▶

004

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

FRITION PRODUCTS CO.

D Employer Identification Number (EIN)

34-1608009

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 1 Day 1 Year 2009**2** Assets:

	2a	2b
a Market value	16,241,540	
b Actuarial value	16,241,540	

3 Funding target/participant count breakdown

(1) Number of participants

(2) Funding Target

	3a	3b	3c(1)	3c(2)	3c(3)	3d
a For retired participants and beneficiaries receiving payment	66					
b For terminated vested participants	111					
c For active participants:						
(1) Non-vested benefits						
(2) Vested benefits						
(3) Total active	151					
d Total	328					

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

	4a	4b
a Funding target disregarding prescribed at-risk assumptions		
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		

5 Effective interest rate **5** 6.31 %**6** Target normal cost **6** 92,000**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***Margaret W. Furey*

Signature of actuary

9/14/2010

Date

MARGARET W. FUREY

08-04849

Type or print name of actuary

Most recent enrollment number

PRIAC

(860) 534-2895

P.O. BOX 2975

Firm name

Telephone number (including area code)

HARTFORD

CT 06104-2975

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)	24,926	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	24,926	0
10	Interest on item 9 using prior year's actual return of <u>(25.20)</u> %	(6,281)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		3,170,195
b	Interest on (a) using prior year's effective rate of <u>6.10</u> %		193,382
c	Total available at beginning of current plan year to add to prefunding balance		3,363,577
d	Portion of (c) to be added to prefunding balance.....		134,279
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	18,645	134,279

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
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	91.10 %
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
04/15/2009	77,122				
07/15/2009	77,122				
10/15/2009	77,122				
01/19/2010	77,122				
08/19/2010	390,255				
			Totals ▶	18(b)	698,743
				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	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	648,279

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
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.09 %	2nd segment: 6.16 %	3rd segment: 6.58 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 60
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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
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	92,000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	4,022,154	708,782
b Waiver amortization installment	0	0
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	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	800,782
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	18,645	134,279
36 Additional cash requirement (item 34 minus item 35).....	36	647,858
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	648,279
38 Interest-adjusted excess contributions for current year (see instructions).....	38	421
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

Friction Products Company Employees Pension Plan
EIN/PN 34-1608009 004
01/01/2009
Schedule SB, line 19 - Discounted Employer Contributions

Display of Discounted Contributions

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The applicable effective interest rate is 6.31% . The applicable effective interest rate for the late quarterly contribution is 11.31%.

Friction Products Company Employees Pension Plan
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Age	Frequency
55	49
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We first determined the Retirement age under the Rule of 80, subject to the minimum age of 55 or service of 20 years and the Normal Retirement age of 65, whichever occurred first
A frequency distribution was used to determine the number of Actives retiring at each Integral age and a weighted average was then calculated.

ACTUARIAL COST METHOD

Actuarial Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants.

Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 3 months prior to the valuation date.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section (Appendix E) for additional detail.

Asset Valuation Method

Assets have been valued in accordance with generally accepted procedures as described below.

Funds invested in the General Accounts of an insurance company.	Stated contract value of funds
---	--------------------------------

Funds invested in insurance company Separate Accounts.	Market value
--	--------------

PLAN ASSUMPTIONS

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

Mortality:

Funding:

Male: The IRS 2009 Static Mortality Table (male)

Female: The IRS 2009 Static Mortality Table (female)

Accounting:

Male: The IRS 2009 Static Mortality Table (male)

Female: The IRS 2009 Static Mortality Table (female)

Termination:

The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	93.9%	93.9%
25	89.8%	89.8%
30	83.1%	83.1%
35	72.8%	72.8%
40	58.0%	58.0%
45	38.8%	38.8%
50	18.4%	18.4%

This is Crocker T-7

Retirement Age:

For Participants with less than 80 points or those hired after January 1, 2002, age 65. For all others, the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum service 20).

PLAN ASSUMPTIONS (CONT'D)

Investment Return:

Funding:

Non-transitional segment rates with a 3 month look-back:
October 2008 rates, 5.09%, 6.16%, and 6.58%.

Accounting:

7.00% per annum, compounded annually, net of investment and contract fees.

Estimated Expenses:

\$92,000

Salary Scale:

None

Social Security

Primary Insurance Amount

Not Applicable

Covered Compensation

Not Available

Survivor's Benefit:

It is assumed that husbands are 3 years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

Disability:

The 1952 Disability Study of the Society of Actuaries, Period 2, Benefit 5 rates were used.

PLAN PROVISIONS

Earnings	W-2 Earnings maximized at \$200,000 as indexed. Effective 5/31/2006, the Plan froze.
Final Earnings	The average of the highest three consecutive years out of the last six.
Service	Prior to January 1, 1987, Service is determined in accordance with the Plan in effect on December 31, 1986. Beginning January 1, 1987, an employee shall be credited with one year of Service for each Plan Year during which he has 1,000 hours.
Credited Service	Credited Service prior to August 1, 1976: a Participant's Credited Service shall be based on his Service. Beginning August 1, 1976, a Participant shall earn one year of Credited Service for each Plan Year in which he has at least 1,000 hours of Service.. Effective 5/31/2006, the Plan froze, and there will be no future accruals.
Form of Annuity	Life annuity
Normal Retirement Date	Age 65 or the date that an active Participant completes 20 or more years of service and his/her age plus service equals 80 or more.
Participation Eligibility	One year of Service, hired before age 60 and hired prior to January 1, 2004.
Benefit Formula	Accrued Benefit to 12/31/1988: 35% of the first \$24,000 plus 50% in excess multiplied by Credited Service to 12/31/1988. Accrued Benefit after 12/31/1988: 45% of compensation multiplied by Credited Service after 12/31/1988. All retirement benefits are to be prorated for Service before and after 12/31/1988 and shall be reduced by 6 $\frac{2}{3}$ % for each year of Service less than 15 at retirement. Effective 5/31/2006, the Plan froze, and there will be no future accruals.
Income Payable	Amount described in (a) or (b) below, whichever applies: a. If a Participant has a spouse as of retirement date and does not elect otherwise, retirement benefits will be paid on the basis of a Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula, multiplied by the appropriate factor.

PLAN PROVISIONS (CONT'D)

Income Payable (cont'd)

- b. If a Participant either has no spouse as of his retirement date, or elects to receive income under the Normal Form, retirement income will be the amount determined under the benefit formula.

Early Eligibility

Age 60 and the completion of 10 years of Service.

Special Early Retirement

For Participants hired before January 1, 2002, beginning at age 55 with 20 or more years of Service, if the sum of age plus service equals 80 or more. The accrued benefit is unreduced, and commences immediately.

Early Benefit Amount

Benefit accrued to Early Retirement Date, reduced by 7.2% per year that Early Retirement Date precedes Normal Retirement Date.

Vesting Schedule

Completion of five years of Service. Effective 31, May 2009 all active Participants became 100% vested.

Vested Benefit

Benefit accrued to date of termination, payable at Normal Retirement Date.

Preretirement Spouse Benefit

A. Eligibility

Eligible for Early Retirement, married.

Benefit Formula

50% of the pension benefit accrued to date of death, reduced by the appropriate early retirement and joint and survivor factors.

B. Eligibility

Eligible for vesting but not eligible for early retirement, married.

Benefit Formula

50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased participant and reduced by the appropriate early retirement and joint and survivor factors.

Disability Benefit

A. Eligibility

Permanent and total disability occurring while as active participant, provided that the participant's age plus service equals 65 or more.

Benefit Formula

Benefit accrued to date of Disability.

DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Employees as of January 1, 2009 -- Distribution by Age and Service

Attained Age	Years of Credited Service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25											
25-29		1									1
30-34		5	7	3							15
35-39		7	12	6							25
40-44		7	13	3	7						30
45-49		1	8	3	1	2	4				19
50-54		8	12	5	2	1	8				36
55-59		5	5	1	2						13
60-64		5	5	1							11
65-69		1									1
70 +											
Total		40	62	22	12	1	12				151

SECTION IV

MINIMUM CONTRIBUTION AMORTIZATION

The interest rates and corresponding present value factors as of January 1, 2009 are reflected below. Also shown are prior year amortization values and the development of the amortization for the 2009 plan year.

I. Interest Rate Table - Calculation of Shortfall Amortization Factors

<u>Year</u>	<u>Applicable Interest Rate</u>	<u>Discount Factor</u>	<u>Present Value Factor</u>
1	5.09%	1.000	1.000
2	5.09%	0.952	1.952
3	5.09%	0.905	2.857
4	5.09%	0.862	3.719
5	5.09%	0.820	4.539
6	6.16%	0.742	5.280
7	6.16%	0.699	5.979

II. Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>PV Factor</u>	<u>Present Value</u>
2008	308,489	5.280	1,628,882
2007	0	4.539	0
2006	0	3.719	0
2005	0	2.857	0
2004	0	1.952	0
2003	0	1.000	0
	\$308,489		\$1,628,882

III. Current Year Amortization

Exemption from Current year Amortization	No
1. Funding Shortfall to be amortized ¹	\$4,022,154
2. Present Value of Prior Year Amortization Installments	1,628,882
3. Current Year Amortization Base (1 - 2)	2,393,272
4. Shortfall Amortization Factor	5.978803
5. Current Year Amortization Installment (3 divided by 4)	400,293
6. Sum of Prior Year Amortization Installments	308,489
7. Net Shortfall Amortization Charge (5 + 6)	\$708,782

¹ The Funding Shortfall to be amortized is calculated as (20110767 * 1) - 16088614

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets

(Held at End of Year)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
3M Co	465	common stock	37,351	38,442
Abbott Laboratories	827	common stock	41,714	44,650
Accenture PLC	637	common stock	24,110	26,436
Adobe Systems Inc	1,424	common stock	46,736	52,375
Allergan Inc.	393	common stock	22,866	24,763
Amazon.com Inc	407	common stock	25,323	54,750
American Express Co	2,830	common stock	50,036	114,672
American Tower Corp	880	common stock	27,203	38,025
Amgen Inc	450	common stock	26,334	25,457
Analog Devices Inc	780	common stock	20,662	24,632
Apple Inc	542	common stock	40,721	114,217
Autodesk Inc.	1,250	common stock	41,451	31,763
Automatic Data Processing	1,290	common stock	44,008	55,238
Baker Hughes, Inc	1,820	common stock	58,706	73,674
Bank of New York Mellon Corp	3,380	common stock	99,143	94,539
Baxter International Inc	533	common stock	30,360	31,276
Becton Dickinson	990	common stock	66,394	78,071
Best Buy Company Inc	587	common stock	22,030	23,163
Boeing Co.	810	common stock	44,384	43,845
Broadcom Corp CL A	466	common stock	13,714	14,665
Canadian Natural Resources	612	common stock	40,674	44,033
Carnival Corp	1,950	common stock	35,642	61,796
Caterpillar, Inc	550	common stock	20,981	31,345
Cisco Systems Inc	7,113	common stock	128,367	170,285
Citrix Systems Inc	732	common stock	29,531	30,459
Corning Inc	1,625	common stock	30,377	31,379
Crown Castle Intl Corp	1,980	common stock	47,400	77,299
Cummins Inc	641	common stock	28,614	29,396
Danaher Corp	337	common stock	22,090	25,342

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
DirectTV Class A	1,308	common stock	35,405	43,622
Ebay Inc	1,542	common stock	35,983	36,283
Electronic Arts Inc	5,410	common stock	151,704	96,028
EMC Corp/Mass	7,517	common stock	96,972	131,322
Emerson Electric Co	576	common stock	18,287	24,538
FedEx Corp	620	common stock	24,819	51,739
Fortune Brands Inc	730	common stock	48,152	31,536
Freeport-McMoran C & G	608	common stock	42,436	48,816
General Mills Inc	810	common stock	42,240	57,356
Genzyme Corp	1,420	common stock	78,255	69,594
Gilead Sciences Inc	498	common stock	22,092	21,548
Google Inc	180	common stock	70,407	111,596
Google Inc	195	common stock	97,946	120,896
Hawk Corporation	60,000	common stock	716,778	1,056,600
Heinz H J Co	810	common stock	31,061	34,636
Hess Corp	1,700	common stock	95,965	102,850
Hewlett Packard Co	1,840	common stock	87,471	94,778
Home Depot Inc	1,040	common stock	21,612	30,087
IBM Corp	546	common stock	53,383	71,471
Intel Corp	2,148	common stock	41,456	43,819
International Game Tech	2,085	common stock	72,328	39,135
Johnson & Johnson	1,569	common stock	85,618	101,059
Johnson Controls, Inc.	919	common stock	14,489	25,034
Joy Global Inc	489	common stock	23,770	25,218
JP Morgan Chase & Co	882	common stock	39,170	36,753
Juniper Networks, Inc	1,020	common stock	13,729	27,203

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
Kellogg Co	1,050	common stock	43,073	55,860
Kohls Corp	810	common stock	32,625	43,683
Kroger Co	2,260	common stock	51,665	46,398
Lowes Cos Inc	2,687	common stock	48,437	62,849
Mead Johnson Nutrition Co CL A	350	common stock	15,046	15,295
Microsoft Corp	6,639	common stock	137,931	202,357
Monsanto Co	1,000	common stock	74,958	81,750
National Oilwell Varco Inc	1,147	common stock	49,874	50,571
Northern Trust Corp	1,040	common stock	54,187	54,496
Occidental Petroleum Corp	529	common stock	40,469	43,034
Oracle Corporation	1,518	common stock	31,043	37,237
Parker Hannifin Co	424	common stock	21,921	22,845
Paychex Inc	2,180	common stock	59,560	66,795
Pepsico Inc	711	common stock	43,264	43,229
Petroleo Brasileiro S.A.	507	common stock	23,322	24,174
Phillip Morris Intl Inc	824	common stock	40,342	39,709
Potash Corp of Saskatchewan	287	common stock	25,400	31,140
Praxair Inc	276	common stock	15,678	22,166
Procter & Gamble Co	1,209	common stock	68,816	73,302
Progressive Corp	4,090	common stock	67,957	73,579
Quest Diagnostics Inc	940	common stock	46,343	56,757
Range Resources Corp	657	common stock	32,123	32,751
Raytheon Company	465	common stock	23,910	23,957
Safeway Inc	2,280	common stock	48,637	48,541
Sherwin-Williams Co	750	common stock	41,506	46,238
Southwest Airlines Co	9,130	common stock	108,545	104,356
Southwestern Energy Company	620	common stock	30,862	29,884
St Jude Medical Inc	939	common stock	31,187	34,536
Staples Inc	1,039	common stock	23,762	25,549
Target Corp	585	common stock	28,630	28,296
Teva Pharmaceutical	418	common stock	18,646	23,483
Thermo Fisher Scientific Inc	1,160	common stock	37,505	55,320
Time Warner Inc	1,020	common stock	28,707	29,723
Union Pacific Corp	611	common stock	36,244	39,043
United Technologies Corp	856	common stock	52,242	59,415
UnitedHealth Group Inc	950	common stock	30,619	28,956

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
UPS	1,842	common stock	84,038	105,674
Visa Inc Class A	381	common stock	26,106	33,323
Wal-Mart Stores Inc	489	common stock	24,076	26,137
Walt Disney Co	3,610	common stock	65,735	116,422
Waste Management Inc	1,390	common stock	43,685	46,996
Weatherford International Ltd	4,320	common stock	50,687	74,996
Weyerhaeuser Co	1,330	common stock	40,500	57,376
Wynn Resorts Ltd	316	common stock	21,842	18,400
Yahoo Inc	2,511	common stock	42,612	42,135
Subtotal				6,318,237
Money Market Funds				
Federated Government Obligations Fund	653,317	shares	653,317	653,317
Subtotal				653,317
Mutual Funds				
Artio International Equity Fund	78,452	shares	2,095,196	2,215,477
Calomos Growth Fund	22,901	shares	770,680	1,018,186
Dodge & Cox International Stock Fund	74,508	shares	1,966,725	2,373,086
Neuberger Berman Genesis Institutional Fund	25,164	shares	790,017	950,179
Pimco All Asset All Authority Fund	175,191	shares	1,888,959	1,795,712
Vanguard Total Bond Market Fund Index	449,202	shares	4,480,250	4,649,243
Subtotal				13,001,883
Total Assets Held for Investment Purposes				\$ 19,973,437

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4j—Schedule of Reportable Transactions

Year ended December 31, 2009

Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (i) – Individual transactions in excess of 5% of Plan assets					
Pimco All Asset All Authority	\$ 1,800,000	\$ -	\$ 1,800,000	\$ 1,800,000	\$ -

Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (iii) - Series of transactions in excess of 5% of Plan assets					
Pimco All Asset All Authority	\$ 1,888,959		\$ 1,888,959	\$ 1,888,959	\$ -
Vanguard Total Bond Market Index	\$ 1,398,053		\$ 1,398,053	\$ 1,398,053	\$ -
Vanguard Total Bond Market Index		\$ 410,000	\$ 386,054	\$ 410,000	\$ 23,946
Dodge & Cox International Stock Fund	\$ 532,039		\$ 532,039	\$ 532,039	\$ -
Dodge & Cox International Stock Fund		\$ 885,000	\$ 1,506,576	\$ 885,000	\$ (621,576)
Federated Government Obligations Fund	\$ 10,558,610	\$ -	\$ 10,558,610	\$ 10,558,610	\$ -
Federated Government Obligations Fund		\$ 10,245,465	\$ 10,245,465	\$ 10,245,465	\$ -
Huntington Treasury Money Market II	\$ 2,163,206	\$ -	\$ 2,163,206	\$ 2,163,206	\$ -
Huntington Treasury Money Market II		\$ 2,323,673	\$ 2,323,673	\$ 2,323,673	\$ -

There were no category (ii) or (iv) reportable transactions during 2009.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Friction Products Co. Employees Pension Plan

December 31, 2009 and 2008

Friction Products Co. Employees Pension Plan
Financial Statements and Supplemental Schedules

December 31, 2009 and 2008 and
Years ended December 31, 2009 and 2008

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Report of Independent Certified Public Accountants

Plan Administrator
Friction Products Co. Employees Pension Plan

We were engaged to audit the accompanying financial statements of the Friction Products Co. Employees Pension Plan (the Plan) as of December 31, 2009 and 2008 and for the year ended December 31, 2009, and the supplemental schedules as of and for the year ended December 31, 2009 as listed in the table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Huntington National Bank N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Grant Thornton LLP

Cleveland, Ohio
September 15, 2010

Friction Products Co. Employees Pension Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2009	2008
Investments, at fair value:		
Common stocks	\$ 6,318,237	\$ 4,464,279
Mutual funds	13,001,883	8,274,733
Money market funds	653,317	500,640
	<u>19,973,437</u>	<u>13,239,652</u>
Receivables:		
Employer contributions	467,377	3,005,179
Interest and dividends	21,015	20,792
Due from broker	19,313	-
	<u>507,705</u>	<u>3,025,971</u>
Payables:		
Due to broker	(77,967)	-
Net assets available for benefits	<u>\$ 20,403,175</u>	<u>\$ 16,265,623</u>

See notes to financial statements.

Friction Products Co. Employees Pension Plan

Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31,	
	2009	2008
Employer contributions	\$ 726,640	\$ 3,695,716
Other income	54	668
Investment income (loss):		
Interest and dividends	530,025	543,747
Net appreciation (depreciation) in fair value of investments	4,041,642	(5,587,773)
Net investment income (loss)	4,571,667	(5,044,026)
Benefit payments	(1,021,026)	(941,796)
Fees and expenses	(139,783)	(106,339)
Net increase (decrease)	4,137,552	(2,395,777)
Net assets available for benefits at beginning of year	16,265,623	18,661,400
Net assets available for benefits at end of year	<u>\$ 20,403,175</u>	<u>\$ 16,265,623</u>

See notes to financial statements.

Friction Products Co. Employees Pension Plan

Statements of Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits	January 1,	
	2009	2008
Vested benefits:		
Participants currently receiving payments	\$ 9,674,291	\$ 9,072,529
Other participants	6,800,782	7,277,021
Total for vested participants	16,475,073	16,349,550
Non-vested benefits	1,983,038	1,912,728
Total actuarial present value of accumulated plan benefits	<u>\$ 18,458,111</u>	<u>\$ 18,262,278</u>

See notes to financial statements.

Friction Products Co. Employees Pension Plan

Statement of Changes in Accumulated Plan Benefits

Year Ended January 1, 2009

Actuarial present value of accumulated plan benefits as of January 1, 2008	\$ 18,262,278
Increase (decrease) during the year attributed to:	
Interest at 7%	1,245,954
Benefits paid	(941,796)
Benefits accumulated and actuarial (gain)/loss	(166,268)
Assumption changes	57,943
Net increase	<u>195,833</u>
Actuarial present value of accumulated plan benefits as of January 1, 2009	<u>\$ 18,458,111</u>

See notes to financial statements.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

1. Description of the Plan

The following description of the Friction Products Co. Employees Pension Plan (Plan) provides only general information. Information about the Plan agreement, vesting and benefit provisions, and the Pension Benefit Guaranty Corporation's (PBGC) benefit guarantee is contained in the Plan document. A copy of this document is available from the Plan Administrator.

General

The Plan is a non-contributory defined benefit plan that covers all full-time employees of the Friction Products Co. (the Company and Plan Sponsor) and non-union employees of Logan Metal Stampings, Inc. (Logan), an affiliated company, hired prior to January 1, 2004. The Plan was amended effective June 1, 2006 and provided that after May 31, 2006 no further benefit accruals would be earned by Plan participants (the Amendment). At that date, all participants became fully vested in their accrued benefit. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Benefits

Benefits for normal retirement are calculated based upon earnings and years of service. Benefits for Logan employees are reduced by amounts earned under a plan in which they were previously covered. Additionally, the Amendment provided that a retirement benefit date known as the "Rule of 80" changed from an early retirement benefit date to a normal retirement benefit date under the provisions of the Plan. The Plan also provides other forms of benefits including disability and surviving spouse benefits.

Funding Policy

The Plan Sponsor voluntarily contributes such amounts as are necessary on an actuarial basis to provide sufficient net assets to meet benefit payments to Plan participants. The Plan has met the minimum funding requirements under ERISA. In 2009, the Plan Sponsor also made a voluntary contribution into the Plan for the 2008 Plan year of \$2,775,000, primarily to improve the Plan's funded status. The Plan has met minimum funding requirements under ERISA for 2009 and 2008.

Plan Termination Policy

Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

Some benefits may be fully or partially provided for by the then existing net assets and the PBGC guarantee while other benefits may not be provided for at all.

2. Significant Accounting Policies

Basis of Accounting

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's funds are invested in common stocks, mutual funds and money market funds. Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4, "Fair Value Measurements" for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The Plan holds 60,000 shares of Hawk Corporation, parent of the Company, common stock with a fair value at December 31, 2009 of \$1,056,600 (\$996,000 at December 31, 2008). The cost basis of the stock was \$716,778 at December 31, 2009 and 2008.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

New Accounting Standards Adopted

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, which is codified in Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. This guidance provides additional requirements for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased, and also provides additional information on circumstances that may indicate that a transaction is not orderly. The guidance also expanded disclosures and required that major categories for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments. The Plan adopted this guidance on a prospective basis for the year ended December 31, 2009. The adoption of this guidance is reflected, where applicable, within these financial statements for the year ended December 31, 2009.

In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01, *Topic 105-Generally Accepted Accounting Principles* and ASU No. 2009-02, *Omnibus Update, Amendments to Various Topics for Technical Corrections*" (collectively the "Codification"). The Codification establishes the sole source of authoritative GAAP recognized by the FASB for nongovernmental entities. Rules and interpretive releases issued by the Securities and Exchange Commission (SEC) under federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification supersedes all existing non-SEC accounting and reporting standards. Upon issuance, all other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. The FASB also issues ASU's, which communicate amendments to the ASC and also provide information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective. This Codification became effective for the Plan's December 31, 2009 financial statements, and the disclosures contained herein are in compliance with the requirements of the Codification.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

In February 2010, the FASB issued ASU No. 2010-09, *Amendments to Certain Recognition and Disclosure Requirements* (ASU 2010-09), which addresses certain implementation issues related to an entity's requirement to perform and disclose subsequent events procedures. The ASU (1) exempts entities that file their financial statements with, or furnish them to, the SEC from disclosing the date through which subsequent events procedures have been performed and (2) clarifies the circumstances in which an entity's financial statements would be considered restated and in which the entity would therefore be required to update its subsequent events evaluation since the originally issued or available to be issued financial statements. ASU 2010-09 became effective immediately upon issuance, and the Plan has adopted its disclosure requirements within these financial statements for the year ended December 31, 2009.

New Accounting Standards to Be Adopted

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820) - Improving Disclosures About Fair Value Measurements* (ASU 2010-06), to add new disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This ASU is effective for the first reporting period beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which will be effective for fiscal years beginning on or after December 15, 2010. The Company does not expect the adoption of this guidance will have a material impact on the Plan's financial statements and disclosures.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions in order to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. Accumulated plan benefits are those future payments attributable to service employees have rendered to date. At January 1, 2009 and 2008 the calculations of the actuarial present value of accumulated plan benefits were performed by Prudential Retirement Insurance and Annuity Company. The more significant actuarial assumptions used in the January 1, 2009 and 2008 valuations are as follows:

Assumed interest rate	7% per annum, compounded annually
Mortality	IRS 2009 Static Mortality Table for January 1, 2009 and IRS 2008 Static Mortality Table for January 1, 2008.
Normal Retirement age	For participants with less than 80 points or those hired after January 1, 2002, age 65. For all others the assumed retirement age is the earlier of age 65 or the attainment of 80 points (minimum age 55 and minimum service 20).
Actuarial cost method	Unit Credit Actuarial Cost Method

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the accumulated plan benefits.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

3. Investments

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2009 and 2008, and net appreciation (depreciation) in fair value of investments and interest and dividend income for the years ended December 31, 2009 and 2008, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the trustee of the Plan, Huntington National Bank (Trustee).

The fair value of individual investments that represent 5% or more of the Plan's net assets at either December 31, 2009 or 2008 are as follows:

	2009	2008
Vanguard Total Bond Market Index Fund	\$ 4,649,243	\$ 3,576,160
Dodge & Cox International Stock Fund	2,373,086	1,615,477
Artio International Equity Fund	2,215,477	1,605,942
Pimco All Asset All Authority Fund	1,795,712	**
Hawk Corporation common stock	1,056,600	996,000
Calamos Growth Fund	*	695,101
Neuberger Berman Genesis Fund	*	782,053

*Does not exceed 5% of Plan net assets

** Fund was not an investment as of December 31, 2008

Net appreciation (depreciation) in fair value of investments (including investments bought, sold, as well as held during the year) for the years ended December 31, 2009 and 2008 was as follows:

	2009	2008
Common stocks	\$ 1,885,532	\$ (2,170,753)
Mutual funds	2,156,110	(3,417,020)
	<u>\$ 4,041,642</u>	<u>\$ (5,587,773)</u>

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

4. Fair Value Measurements

The Plan follows the fair value accounting guidance which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date.

Level 2 - Inputs to the valuation methodology that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full terms of the assets or liabilities.

Level 3 – Inputs to the valuation methodology that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at December 31, 2009 and 2008. Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2009 and 2008:

Money Market Funds: money market funds are valued at quoted market prices on an exchange and active markets, which represent the net asset values of shares held by the Plan at year end.

Common Stocks: common stocks are stated at fair value as quoted on a recognized securities exchange and are valued at the last reported sales price on the last business day of the Plan year.

Mutual Funds: mutual funds are valued at quoted market prices on an exchange and active markets, which represent the net asset values of shares held by the Plan at year end.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement result at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

December 31, 2009	Total	Level 1	Level 2	Level 3
Money market funds	\$ 653,317	\$ 653,317	\$ -	\$ -
Common stocks:				
U.S. companies - Growth	2,364,433	2,364,433	-	-
Foreign companies - Growth	149,266	149,266	-	-
U.S. companies - Value	3,729,541	3,729,541	-	-
Foreign companies - Value	74,997	74,997	-	-
Total common stocks	6,318,237	6,318,237	-	-
Mutual funds:				
Growth funds	4,183,842	4,183,842	-	-
Value fund	2,373,086	2,373,086	-	-
Fixed income fund	4,649,243	4,649,243	-	-
Multi class fund	1,795,712	1,795,712	-	-
Total mutual funds	13,001,883	13,001,883	-	-
Total assets at fair value	\$ 19,973,437	\$ 19,973,437	\$ -	\$ -

December 31, 2008	Total	Level 1	Level 2	Level 3
Money market funds	\$ 500,640	\$ 500,640	\$ -	\$ -
Common stocks	4,464,279	4,464,279	-	-
Mutual funds	8,274,733	8,274,733	-	-
Total assets at fair value	\$ 13,239,652	\$ 13,239,652	-	-

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated September 18, 2002 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has been amended since receiving the determination letter. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, credit and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported 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 estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. Transactions with Parties-in-Interest

During 2009 and 2008, certain legal fees and certain administrative expenses relating to the maintenance of participant eligibility records were paid by the Plan Sponsor. Fees paid during the year for other services rendered by parties-in interest were based on customary and reasonable rates for such services.

The Plan holds 60,000 shares of Hawk Corporation common stock and recorded net appreciation (depreciation) in value of these securities. Accordingly, these shares are qualified as party-in-interest.

8. Subsequent Event

On January 19, 2010, the Plan purchased an aggregate of \$1,000,000 of Hawk Corporation, 8 ¾% Senior Notes due 2014, in the open market which it holds in its investment portfolio. Accordingly, this purchase qualified as party-in-interest transaction.

Friction Products Co. Employees Pension Plan

Notes to Financial Statements

Years ended December 31, 2009 and 2008

The Plan has evaluated its December 31, 2009 financial statements for subsequent events through September 15, 2010, the date the financial statements were available to be issued.

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets

(Held at End of Year)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
3M Co	465	common stock	37,351	38,442
Abbott Laboratories	827	common stock	41,714	44,650
Accenture PLC	637	common stock	24,110	26,436
Adobe Systems Inc	1,424	common stock	46,736	52,375
Allergan Inc.	393	common stock	22,866	24,763
Amazon.com Inc	407	common stock	25,323	54,750
American Express Co	2,830	common stock	50,036	114,672
American Tower Corp	880	common stock	27,203	38,025
Amgen Inc	450	common stock	26,334	25,457
Analog Devices Inc	780	common stock	20,662	24,632
Apple Inc	542	common stock	40,721	114,217
Autodesk Inc.	1,250	common stock	41,451	31,763
Automatic Data Processing	1,290	common stock	44,008	55,238
Baker Hughes, Inc	1,820	common stock	58,706	73,674
Bank of New York Mellon Corp	3,380	common stock	99,143	94,539
Baxter International Inc	533	common stock	30,360	31,276
Becton Dickinson	990	common stock	66,394	78,071
Best Buy Company Inc	587	common stock	22,030	23,163
Boeing Co.	810	common stock	44,384	43,845
Broadcom Corp CL A	466	common stock	13,714	14,665
Canadian Natural Resources	612	common stock	40,674	44,033
Carnival Corp	1,950	common stock	35,642	61,796
Caterpillar, Inc	550	common stock	20,981	31,345
Cisco Systems Inc	7,113	common stock	128,367	170,285
Citrix Systems Inc	732	common stock	29,531	30,459
Corning Inc	1,625	common stock	30,377	31,379
Crown Castle Intl Corp	1,980	common stock	47,400	77,299
Cummins Inc	641	common stock	28,614	29,396
Danaher Corp	337	common stock	22,090	25,342

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
DirectTV Class A	1,308	common stock	35,405	43,622
Ebay Inc	1,542	common stock	35,983	36,283
Electronic Arts Inc	5,410	common stock	151,704	96,028
EMC Corp/Mass	7,517	common stock	96,972	131,322
Emerson Electric Co	576	common stock	18,287	24,538
FedEx Corp	620	common stock	24,819	51,739
Fortune Brands Inc	730	common stock	48,152	31,536
Freeport-McMoran C & G	608	common stock	42,436	48,816
General Mills Inc	810	common stock	42,240	57,356
Genzyme Corp	1,420	common stock	78,255	69,594
Gilead Sciences Inc	498	common stock	22,092	21,548
Google Inc	180	common stock	70,407	111,596
Google Inc	195	common stock	97,946	120,896
Hawk Corporation	60,000	common stock	716,778	1,056,600
Heinz H J Co	810	common stock	31,061	34,636
Hess Corp	1,700	common stock	95,965	102,850
Hewlett Packard Co	1,840	common stock	87,471	94,778
Home Depot Inc	1,040	common stock	21,612	30,087
IBM Corp	546	common stock	53,383	71,471
Intel Corp	2,148	common stock	41,456	43,819
International Game Tech	2,085	common stock	72,328	39,135
Johnson & Johnson	1,569	common stock	85,618	101,059
Johnson Controls, Inc.	919	common stock	14,489	25,034
Joy Global Inc	489	common stock	23,770	25,218
JP Morgan Chase & Co	882	common stock	39,170	36,753
Juniper Networks, Inc	1,020	common stock	13,729	27,203

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
Kellogg Co	1,050	common stock	43,073	55,860
Kohls Corp	810	common stock	32,625	43,683
Kroger Co	2,260	common stock	51,665	46,398
Lowes Cos Inc	2,687	common stock	48,437	62,849
Mead Johnson Nutrition Co CL A	350	common stock	15,046	15,295
Microsoft Corp	6,639	common stock	137,931	202,357
Monsanto Co	1,000	common stock	74,958	81,750
National Oilwell Varco Inc	1,147	common stock	49,874	50,571
Northern Trust Corp	1,040	common stock	54,187	54,496
Occidental Petroleum Corp	529	common stock	40,469	43,034
Oracle Corporation	1,518	common stock	31,043	37,237
Parker Hannifin Co	424	common stock	21,921	22,845
Paychex Inc	2,180	common stock	59,560	66,795
Pepsico Inc	711	common stock	43,264	43,229
Petroleo Brasileiro S.A.	507	common stock	23,322	24,174
Phillip Morris Intl Inc	824	common stock	40,342	39,709
Potash Corp of Saskatchewan	287	common stock	25,400	31,140
Praxair Inc	276	common stock	15,678	22,166
Procter & Gamble Co	1,209	common stock	68,816	73,302
Progressive Corp	4,090	common stock	67,957	73,579
Quest Diagnostics Inc	940	common stock	46,343	56,757
Range Resources Corp	657	common stock	32,123	32,751
Raytheon Company	465	common stock	23,910	23,957
Safeway Inc	2,280	common stock	48,637	48,541
Sherwin-Williams Co	750	common stock	41,506	46,238
Southwest Airlines Co	9,130	common stock	108,545	104,356
Southwestern Energy Company	620	common stock	30,862	29,884
St Jude Medical Inc	939	common stock	31,187	34,536
Staples Inc	1,039	common stock	23,762	25,549
Target Corp	585	common stock	28,630	28,296
Teva Pharmaceutical	418	common stock	18,646	23,483
Thermo Fisher Scientific Inc	1,160	common stock	37,505	55,320
Time Warner Inc	1,020	common stock	28,707	29,723
Union Pacific Corp	611	common stock	36,244	39,043
United Technologies Corp	856	common stock	52,242	59,415
UnitedHealth Group Inc	950	common stock	30,619	28,956

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4i—Schedule of Assets (Held at End of Year) (continued)

December 31, 2009

Identity of Issue, Borrower, Lessor or Similar Party	Number of Shares	Description of Investment	Cost	Current Value
Common Stocks				
UPS	1,842	common stock	84,038	105,674
Visa Inc Class A	381	common stock	26,106	33,323
Wal-Mart Stores Inc	489	common stock	24,076	26,137
Walt Disney Co	3,610	common stock	65,735	116,422
Waste Management Inc	1,390	common stock	43,685	46,996
Weatherford International Ltd	4,320	common stock	50,687	74,996
Weyerhaeuser Co	1,330	common stock	40,500	57,376
Wynn Resorts Ltd	316	common stock	21,842	18,400
Yahoo Inc	2,511	common stock	42,612	42,135
Subtotal				6,318,237
Money Market Funds				
Federated Government Obligations Fund	653,317	shares	653,317	653,317
Subtotal				653,317
Mutual Funds				
Artio International Equity Fund	78,452	shares	2,095,196	2,215,477
Calomos Growth Fund	22,901	shares	770,680	1,018,186
Dodge & Cox International Stock Fund	74,508	shares	1,966,725	2,373,086
Neuberger Berman Genesis Institutional Fund	25,164	shares	790,017	950,179
Pimco All Asset All Authority Fund	175,191	shares	1,888,959	1,795,712
Vanguard Total Bond Market Fund Index	449,202	shares	4,480,250	4,649,243
Subtotal				13,001,883
Total Assets Held for Investment Purposes				\$ 19,973,437

Friction Products Co. Employees Pension Plan

Employer Identification Number 34-1608009

Plan Number 004

Schedule H, line 4j—Schedule of Reportable Transactions

Year ended December 31, 2009

Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (i) – Individual transactions in excess of 5% of Plan assets					

Pimco All Asset All Authority	\$ 1,800,000	\$ -	\$ 1,800,000	\$ 1,800,000	\$ -
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Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (iii) - Series of transactions in excess of 5% of Plan assets					
Pimco All Asset All Authority	\$ 1,888,959		\$ 1,888,959	\$ 1,888,959	\$ -
Vanguard Total Bond Market Index	\$ 1,398,053		\$ 1,398,053	\$ 1,398,053	\$ -
Vanguard Total Bond Market Index		\$ 410,000	\$ 386,054	\$ 410,000	\$ 23,946
Dodge & Cox International Stock Fund	\$ 532,039		\$ 532,039	\$ 532,039	\$ -
Dodge & Cox International Stock Fund		\$ 885,000	\$ 1,506,576	\$ 885,000	\$ (621,576)
Federated Government Obligations Fund	\$ 10,558,610	\$ -	\$ 10,558,610	\$ 10,558,610	\$ -
Federated Government Obligations Fund		\$ 10,245,465	\$ 10,245,465	\$ 10,245,465	\$ -
Huntington Treasury Money Market II	\$ 2,163,206	\$ -	\$ 2,163,206	\$ 2,163,206	\$ -
Huntington Treasury Money Market II		\$ 2,323,673	\$ 2,323,673	\$ 2,323,673	\$ -

There were no category (ii) or (iv) reportable transactions during 2009.