

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a multiple-employer plan; or</div><div>☐ a single-employer plan;</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan SEQUA RETIREMENT PLAN	1b Three-digit plan number (PN) ▶ 002
		1c Effective date of plan 01/01/1952
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SEQUA CORPORATION 300 BLAISDELL RD ORANGEBURG, NY 10962-2506	2b Employer Identification Number (EIN) 13-1885030 2c Sponsor's telephone number 845-230-7352 2d Business code (see instructions) 333610

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.	10/06/2010	MICHAEL BLICKENSDERFER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2010	MICHAEL BLICKENSDERFER
	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") SEQUA CORPORATION 300 BLAISDELL RD ORANGEBURG, NY 10962-2506	3b Administrator's EIN 13-1885030 3c Administrator's telephone number 845-230-7352
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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	9101
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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	1450
b Retired or separated participants receiving benefits.....	6b	3379
c Other retired or separated participants entitled to future benefits.....	6c	3619
d Subtotal. Add lines 6a , 6b , and 6c	6d	8448
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	463
f Total. Add lines 6d and 6e	6f	8911
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	16

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

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)

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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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 SEQUA RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SEQUA CORPORATION	D Employer Identification Number (EIN) 13-1885030

E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2009		
2 Assets:		
a Market value	2a	326977018
b Actuarial value	2b	359674719
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 3684	168297287
b For terminated vested participants	3b 3659	69003721
c For active participants:		
(1) Non-vested benefits	3c(1)	1572780
(2) Vested benefits	3c(2)	56236704
(3) Total active	3c(3) 1758	57809484
d Total	3d 9101	295110492
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	8.20 %
6 Target normal cost	6	4203465

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	10/06/2010
Signature of actuary	Date
PAUL BAUGHER	08-06586
Type or print name of actuary	Most recent enrollment number
BUCK CONSULTANTS, LLC.	314-725-0114
Firm name	Telephone number (including area code)
231 SOUTH BEMISTON, SUITE 400 ST. LOUIS, MO 63105-1914	
Address of the firm	

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

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	58567395	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).....	58567395	0
10	Interest on item 9 using prior year's actual return of <u>-21.61</u> %	-12656414	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____ %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	45910981	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	106.32 %
15	Adjusted funding target attainment percentage.....	15	121.87 %
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	122.26 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

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

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 63
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
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31
32 Amortization installments:	
a Net shortfall amortization installment	Outstanding Balance
b Waiver amortization installment	Installment
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34 0
	Carryover balance
35 Balances used to offset funding requirement	Prefunding balance
	Total balance
36 Additional cash requirement (item 34 minus item 35).....	36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37 0
38 Interest-adjusted excess contributions for current year (see instructions).....	38 0
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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A Name of plan</div> <div>SEQUA RETIREMENT PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>SEQUA CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>13-1885030</div>

Part I

Service Provider Information (see instructions)

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

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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)

MORGAN STANLEY DEAN WITTER

13-3040307

(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 50 51 52	NONE	287357	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

THE BANK OF NEW YORK

13-5160382

(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 25 50 99	NONE	257738	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

PD GOLDMAN SACHS

13-3575636

(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 50 51 52	NONE	182741	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

BUCK CONSULTANTS

13-3954297

(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 17 50	NONE	98144	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TROUTMAN SANDERS LLP

58-0946915

(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?
29 50 99	NONE	97433	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

UBS GLOBAL ASSET MGMT.

13-2725861

(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 50 51 52	NONE	94941	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

BENXL TECHNOLOGIES

23-2694597

(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?
15 50	NONE	55243	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

KPMG, LLP

34-6565596

(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 50	NONE	22575	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

IRVING PLACE CAPITAL PARTNERS

13-4122604

(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?
15 28 50 51	NONE	9705	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.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(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
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(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:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SEQUA RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 SEQUA CORPORATION	D Employer Identification Number (EIN) 13-1885030	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	326977018	362077521
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	326977018	362077521

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	568446	390206
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	568446	390206

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	326408572	361687315
---	-----------	-----------	-----------

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)		
(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)		0

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)		
(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)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		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)		58594074
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		58594074

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	21920574	
(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)		21920574
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)	472186	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	567503	
(4) Other	2i(4)	51974	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1091663
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		23012237

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		35581837
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		303094

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: **KPMG**

(2) EIN: **13-5565207**

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		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

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

A Name of plan <u>SEQUA RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SEQUA CORPORATION</u>	D Employer Identification Number (EIN) <u>13-1885030</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
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3708654</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>21</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

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: 15% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: 85%

- 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): _____



KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

Sequa Retirement Plan

Employee Benefit Plans Administrative Committee:

We were engaged to audit the financial statements of the Sequa Retirement Plan (the Plan) as of and for the years ended December 31, 2009 and 2008, as listed in the accompanying index. These financial statements 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 8, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. 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 certifications 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 in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements. The form and content of the information included in the financial statements, 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.

KPMG LLP

September 22, 2010

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Age at Retirement	Percentage Retiring	Percentage of Total Group Remaining	Percentage of Total Group Retiring	Weighted Retirement Age
54	-	100.000000%	-	-
55	5.00%	95.000000%	5.000000%	2.750000
56	3.00%	92.150000%	2.850000%	1.596000
57	3.00%	89.385500%	2.764500%	1.575765
58	3.00%	86.703935%	2.681565%	1.555308
59	3.00%	84.102817%	2.601118%	1.534660
60	3.00%	81.579732%	2.523085%	1.513851
61	3.00%	79.132340%	2.447392%	1.492909
62	25.00%	59.349255%	19.783085%	12.265513
63	10.00%	53.414330%	5.934926%	3.739003
64	10.00%	48.072897%	5.341433%	3.418517
65	100.00%	0.000000%	48.072897%	31.247383
Retirement Age				62.69

Schedule SB, line 24 – Change in Actuarial Assumptions

Expected plan expenses of \$805,048 were added to the Target Normal Cost.

This change was made to reflect expected plan expenses as required by PPA.

Schedule SB, line 25 – Change in Method

The interest rate basis was changed from the segment rates to the yield curve applicable two months prior to the valuation date.

Form 5500 Schedule SB Attachment – 2009 Plan Year

Sequa Retirement Plan

EIN: 13-1885030 PN: 002

Schedule SB, line 26 - Schedule of Active Participant Data

Sequa Corporation

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & UP		Grand Total
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	Total
Under 25	0	-	3	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	3
25 to 29	0	-	17	0	14	0	1	-	0	-	0	-	0	-	0	-	0	-	0	-	32
30 to 34	0	-	18	0	52	65,964	30	59,131	0	-	0	-	0	-	0	-	0	-	0	-	100
35 to 39	0	-	22	60,364	81	60,949	63	64,555	20	75,120	0	-	0	-	0	-	0	-	0	-	186
40 to 44	0	-	30	57,866	69	64,384	74	70,329	51	76,370	14	-	0	-	0	-	0	-	0	-	238
45 to 49	0	-	24	52,371	98	62,846	97	72,280	71	79,480	47	93,113	3	-	1	-	0	-	0	-	341
50 to 54	0	-	19	0	78	68,472	87	65,143	71	77,190	49	88,754	16	0	0	-	0	-	0	-	320
55 to 59	0	-	14	0	46	64,329	57	76,253	54	81,194	41	99,406	14	0	16	-	2	-	0	-	244
60 to 64	0	-	11	0	39	59,869	41	74,236	44	75,228	19	-	17	-	7	-	3	-	0	-	181
65 to 69	0	-	3	-	8	-	13	-	6	-	5	-	2	-	1	-	0	-	0	-	38
70 & UP	0	-	0	-	1	-	0	-	2	-	1	-	0	-	0	-	0	-	0	-	4
Totals	0		161		486		463		319		176		52		25		5		0		1687

Form 5500 Schedule SB Attachment – 2009 Plan Year

Sequa Retirement Plan

EIN: 13-1885030 PN: 002

Schedule SB, line 26 - Schedule of Active Participant Data

TACR

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & UP		Grand Total
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	Total
Under 25	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
25 to 29	0	-	1	-	6	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	7
30 to 34	0	-	2	-	5	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	7
35 to 39	0	-	1	-	5	-	1	-	0	-	0	-	0	-	0	-	0	-	0	-	7
40 to 44	0	-	2	-	6	-	1	-	2	-	0	-	0	-	0	-	0	-	0	-	11
45 to 49	0	-	2	-	5	-	4	-	2	-	2	-	0	-	0	-	0	-	0	-	15
50 to 54	0	-	0	-	1	-	4	-	3	-	0	-	1	-	0	-	0	-	0	-	9
55 to 59	0	-	0	-	3	-	0	-	1	-	2	-	2	-	0	-	0	-	0	-	8
60 to 64	0	-	0	-	2	-	2	-	0	-	0	-	1	-	0	-	0	-	0	-	5
65 to 69	0	-	0	-	2	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	2
70 & UP	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
Totals	0		8		35		12		8		4		4		0		0		0		71

Schedule SB, line 21b – Explanation of Applicable Month for Discount Rate

The discount rate is full yield curve with a 2 month look back. Line 21b is blank because EFAST2 generates an error when the 2 appears in line 21b and full yield curve is checked in line 21a.

Schedule SB – Statement of Enrolled Actuary

In preparing this Schedule SB, the actuary relied on other parties for – and applied reasonability tests to – information on assets, contributions, plan provisions and data on people covered by the plan.

**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**

Sequa Retirement Plan - Sequa Corporation

**B Three-digit
plan number (PN)**

002

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

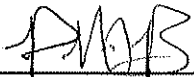
Sequa Corporation

D Employer Identification Number (EIN)

13-1885030

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:****a** Market value..... **2a** 324,157,212**b** Actuarial value..... **2b** 356,572,933**3 Funding target/participant count breakdown****(1) Number of participants****(2) Funding Target****a** For retired participants and beneficiaries receiving payment..... **3a** 3,676 167,913,893**b** For terminated vested participants..... **3b** 3,609 68,435,434**c For active participants:****(1) Non-vested benefits..... 3c(1)** 1,545,652**(2) Vested benefits..... 3c(2)** 54,881,321**(3) Total active..... 3c(3)** 1,687 56,426,973**d Total..... 3d** 8,972 292,776,300**4 If the plan is at-risk, check the box and complete items (a) and (b)** ☐**a** Funding target disregarding prescribed at-risk assumptions..... **4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor..... **4b****5 Effective interest rate..... 5** 8.20 %**6 Target normal cost..... 6** 4,094,106**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**

Signature of actuary

9/21/2010

Date

Paul Baugher

08-06586

Type or print name of actuary

Most recent enrollment number

Buck Consultants, LLC

(314) 725-0114

231 South Bemiston, Suite 400

Telephone number (including area code)

St. Louis

MO 63105-1914

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)	58,253,719	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)	58,253,719	0
10 Interest on item 9 using prior year's actual return of <u>(21.63)</u> %	(12,600,279)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____%		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Reduction in balances due to elections or deemed elections		
13 Balance at beginning of current year (Item 9 + item 10 + item 11d - Item 12)	45,653,440	0

Part III Funding percentages

14 Funding target attainment percentage	14	106.19 %
15 Adjusted funding target attainment percentage	15	121.79 %
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	122.19 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

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

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

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

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %
			☒ N/A, full yield curve used
b Applicable month (enter code)			21b
22 Weighted average retirement age			22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			63

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31
32 Amortization installments:	
a Net shortfall amortization installment	Outstanding Balance
b Waiver amortization installment	Installment
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34
	0
	Carryover balance
	Prefunding balance
35 Balances used to offset funding requirement	Total balance
	0
36 Additional cash requirement (item 34 minus item 35)	36
	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37
38 Interest-adjusted excess contributions for current year (see instructions)	38
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39
	0
40 Unpaid minimum required contribution for all years	40
	0

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Age at Retirement	Percentage Retiring	Percentage of Total Group Remaining	Percentage of Total Group Retiring	Weighted Retirement Age
54	-	100.000000%	-	-
55	5.00%	95.000000%	5.000000%	2.750000
56	3.00%	92.150000%	2.850000%	1.596000
57	3.00%	89.385500%	2.764500%	1.575765
58	3.00%	86.703935%	2.681565%	1.555308
59	3.00%	84.102817%	2.601118%	1.534660
60	3.00%	81.579732%	2.523085%	1.513851
61	3.00%	79.132340%	2.447392%	1.492909
62	25.00%	59.349255%	19.783085%	12.265513
63	10.00%	53.414330%	5.934926%	3.739003
64	10.00%	48.072897%	5.341433%	3.418517
65	100.00%	0.000000%	48.072897%	31.247383
Retirement Age				62.69

**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.

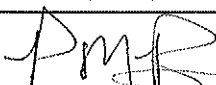
A Name of plan Sequa Retirement Plan - TACR	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sequa Corporation	D Employer Identification Number (EIN) 13-1885030
E Type of plan: ☐ Single ☒ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value.....	2a	2,819,806
b Actuarial value.....	2b	3,101,786
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 8	383,394
b For terminated vested participants.....	3b 50	568,287
c For active participants:		
(1) Non-vested benefits.....	3c(1)	27,128
(2) Vested benefits.....	3c(2)	1,355,383
(3) Total active.....	3c(3) 71	1,382,511
d Total.....	3d 129	2,334,192
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	7.96 %
6 Target normal cost.....	6	109,359

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**

Signature of actuary

Paul Baugher

Type or print name of actuary

Buck Consultants, LLC

231 South Bemiston, Suite 400

Firm name

St. Louis

MO 63105-1914

Address of the firm

9/21/2010

Date

08-06586

Most recent enrollment number

(314) 725-0114

Telephone number (including area code)

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)	313,676	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)	313,676	0
10 Interest on item 9 using prior year's actual return of <u>(18.17)</u> %	(56,995)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____%		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Reduction in balances due to elections or deemed elections		
13 Balance at beginning of current year (Item 9 + item 10 + item 11d - Item 12)	256,681	0

Part III Funding percentages

14 Funding target attainment percentage	14	121.88 %
15 Adjusted funding target attainment percentage	15	132.88 %
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	131.18 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

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

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

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

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

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

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
%2nd segment:
%3rd segment:
%☒ N/A, full yield curve used**b** Applicable month (enter code)**21b****22** Weighted average retirement age**22**

63

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

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31****32** Amortization installments:

Outstanding Balance

Installment

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

0

35 Balances used to offset funding requirement

Carryover balance

Prefunding balance

Total balance

0

36 Additional cash requirement (item 34 minus item 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)**37****38** Interest-adjusted excess contributions for current year (see instructions)**38****39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0



SEQUA PENSION PLAN

Financial Statements

December 31, 2009 and 2008

(With Independent Auditors' Report Thereon)

Sequa Pension Plan

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Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2009 and 2008	3
Notes to Financial Statements	4-14



KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

Sequa Pension Plan

Employee Benefit Plans Administrative Committee:

We were engaged to audit the financial statements of the Sequa Pension Plan (the Plan) as of and for the years ended December 31, 2009 and 2008, as listed in the accompanying index. These financial statements 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 8, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. 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 certifications 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 in the Plan's financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements. The form and content of the information included in the financial statements, 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.

KPMG LLP

September 22, 2010

Sequa Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<i>Assets</i>		
Plan interest in Sequa Corporation Master Trust (Note 8)	\$ 48,046,435	\$ 43,376,099
<i>Liabilities</i>		
Accrued expenses	<u>89,355</u>	<u>102,148</u>
Net assets available for benefits	\$ <u>47,957,080</u>	\$ <u>43,273,951</u>

See accompanying notes to financial statements.

Sequa Pension Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Additions (reductions) to net assets available for benefits:		
Investment income (loss):		
Plan interest in Sequa Corporation Master Trust (Note 8)	\$ 7,771,600	\$ (12,222,352)
Less investment expenses	<u>109,708</u>	<u>129,064</u>
Total investment income (loss)	7,661,892	(12,351,416)
Deductions from net assets available for benefits:		
Benefits paid directly to participants	2,731,120	2,619,038
Administrative expenses	131,751	165,666
Payments to PBGC	<u>115,892</u>	<u>85,198</u>
Total deductions	<u>2,978,763</u>	<u>2,869,902</u>
Net increase (decrease)	4,683,129	(15,221,318)
Net assets available for benefits		
Beginning of year	<u>43,273,951</u>	<u>58,495,269</u>
End of year	<u>\$ 47,957,080</u>	<u>\$ 43,273,951</u>

See accompanying notes to financial statements.

Sequa Pension Plan
Notes to Financial Statements
December 31, 2009 and 2008

(1) Description of the Plan

(a) General

The Sequa Pension Plan (the "Plan") is a non-contributory, defined benefit plan sponsored by Sequa Corporation (the "Company"). The Plan covers certain hourly employees covered by collective bargaining agreements with employers that have adopted the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(b) Participation and Benefits

Employees become eligible for participation in the Plan upon the attainment of age 21 and the completion of one year of service, as defined in the Plan document.

Participants are eligible for pension benefits upon reaching normal retirement age of 65 provided they are fully vested (credited with at least five years of service). There is no partial vesting before five years of service. Pension benefit payments are determined by the collective bargaining agreements for the employees. The Plan also contains provisions for early retirement, late retirement, disability and surviving spouse benefits.

Further information regarding eligibility for participation, the methods used to determine participants' accrued benefits, type of benefits and vesting provisions is contained in the Plan document, which is available to all Plan participants.

(c) Funding and Administrative Expenses

The Company contributes such amounts as are necessary on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants. The amount funded normally includes the Plan's annual or normal cost for the current year and amortization of the estimated prior service cost arising from qualifying service before the establishment of any amendments to the Plan. The Company's policy is to fund pension costs accrued to meet the minimum funding requirements of ERISA. The Company was in compliance with the minimum funding requirements of ERISA. Administrative expenses are paid out of Plan assets.

(2) Summary of Accounting Policies

The accompanying financial statements of the Plan have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The more significant accounting policies followed by the Plan are as follows:

(a) New Accounting Pronouncements

In April 2009, the Financial Accounting Standards Board ("FASB") issued guidance under FASB Accounting Standards Codification ("ASC") Topic 820 "*Fair Value Measurements and Disclosures*" ("FASB ASC Topic 820"), which was formerly referred to as FSP FAS 157-4, "*Determining Fair Value When the Volume and Level of Activity for the Asset or*

Sequa Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly.” This guidance addresses the factors that determine whether there has been a significant decrease in the volume and level of activity for an asset or liability when compared to normal market activity. Under this guidance, if the reporting entity has determined that the volume and level of activity has significantly decreased and transactions are not orderly, further analysis is required and significant adjustments to the quoted prices or transactions may be needed. This guidance was effective for interim and annual reporting periods ending after June 15, 2009. The Company adopted this standard in the second quarter of 2009, and its adoption did not have a material impact on the Plan’s financial statements.

In May 2009, the FASB issued guidance under FASB ASC Topic 855 “*Subsequent Events*,” which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Although the standard is based on the same principles as those that currently exist in the auditing standards, it includes a new required disclosure of the date through which an entity has evaluated subsequent events. The Company adopted this standard in the second quarter of 2009, and its adoption did not have a material impact on the Plan’s financial statements.

In June 2009, the FASB issued guidance under FASB ASC Topic 105 “*Generally Accepted Accounting Principles*,” which replaces Statement of Financial Accounting Standards No. 162 and establishes the FASB Accounting Standards Codification (“Codification”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. All guidance contained in the Codification carries an equal level of authority. On the effective date of this standard, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification became non-authoritative. This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification does not change or alter existing U.S. GAAP and, therefore, did not have a material impact on the Plan’s financial statements.

In September 2009, the FASB issued Accounting Standards Update (“ASU”) 2009-12, “*Fair Value Measurements and Disclosures (Topic 820) - Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*”. This update provides guidance on estimating the fair value of a company’s investments in investment companies when the investment does not have a readily determinable fair value. It permits the use of the investment’s net asset value as a practical expedient to determine fair value. This guidance also requires additional disclosure of the attributes of these investments such as: (i) the nature of any restrictions on the reporting entity’s ability to redeem its investment; (ii) unfunded commitments; and (iii) investment strategies of the investees. This guidance is effective for periods ending after December 15, 2009. The Company adopted this standard in the fourth quarter of 2009, and its adoption did not have a material impact on the Plan’s financial statements.

In January 2010, the FASB issued ASU No. 2010-06, “*Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements*” (“ASU 2010-06”). ASU 2010-06 adds new requirements for disclosures about transfers into and out of Levels 1

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December 31, 2009 and 2008

and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. ASU 2010-06 also amends guidance on employers' disclosure about post retirement benefit plan assets under FAS ASC Topic 715 "*Compensation – Retirement Benefits*" to require that disclosures be provided by classes of assets instead of by major categories of assets. ASU 2010-06 is effective for the first reporting period, including interim, beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. In the period of initial adoption, entities will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. The adoption of this guidance is reflected, where applicable, throughout the notes of the Plan's financial statements.

(b) *Investment Valuation and Income Recognition*

All Plan assets are held by the Sequa Corporation Master Trust (the "Master Trust"). The Master Trust investments reflected in the accompanying financial statements have been reported at fair value.

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

(c) *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosures of the actuarial present value of accumulated plan benefits and contingent assets and liabilities. These estimates and assumptions are based on management's best estimate and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including consideration of the current economic environment. Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results may differ from those estimates and assumptions.

(d) *Payment of Benefits*

Benefit payments to participants are recorded upon distribution.

(3) *Plan Termination*

Although the Company has not expressed any intent to do so, it has the right to terminate the Plan in accordance with the Plan provisions and the provisions set forth by ERISA. 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

Sequa Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Pension Benefit Guaranty Corporation (the "PBGC") at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC, while other benefits may not be provided for at all.

The Company had staff reductions in 2008 and 2009 in connection with formalized restructuring programs, which Plan management, with guidance from the Plan's legal counsel, determined to result in a partial plan termination. As a result, affected participants will have their benefits fully vested. The Company estimates that it will need to restore approximately \$310,000 of forfeited balances for participants who have left the Company and taken distributions.

The PBGC will guarantee the payment of most vested normal retirement-age benefits and early retirement-age benefits which employees were receiving or were entitled to receive as of the date the Plan terminated. Such benefits, however, are only guaranteed to the extent of the actuarial value of the vested benefit as of the date the Plan terminates, payable in the form of a straight life annuity commencing at age 65. For 2010, the total amount of such guaranteed benefits is subject to an overall monthly ceiling of \$4,500, which is adjusted periodically by the PBGC.

Plan members will be fully vested in their rights under the Plan to the extent then funded, in the order of priority specified in the Plan. In accordance with ERISA, a more detailed description of the allocation of the Plan assets upon termination can be obtained by reference to the Plan document, which is available to all Plan participants.

(4) Trust Agreement

Under the terms of the Master Trust Agreement, The Bank of New York Mellon (the "Trustee") serves as trustee of the Plan and carries out an investment policy established by the Sequa Corporation Employee Benefit Plans Investment Committee, consistent with the purposes of the Plan and the requirements of applicable laws and regulations. The Trustee is considered a party-in-interest to the Plan.

(5) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

An actuary from Buck Consultants, LLC estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for 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. Benefits under the Plan are based on the benefit levels negotiated between the Company and each union, multiplied by the employee's benefit service to a maximum of 30 years.

Sequa Pension Plan

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The actuarial present value of accumulated plan benefits as of December 31, 2008 is as follows:

Vested benefits:	
Retired participants and beneficiaries	\$ 20,787,786
Other participants	25,103,961
Non-vested benefits	<u>347,326</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 46,239,073</u>

The changes in actuarial present value of accumulated plan benefits since the date of the previous Plan valuation, January 1, 2008, are as follows:

Actuarial present value of accumulated benefits as of January 1, 2008	\$ 44,531,202
Increase (decrease) attributed to:	
Benefits accumulated, plan amendments & gains and losses	867,159
Benefit payments	(2,619,038)
Interest	<u>3,459,750</u>
	<u>1,707,871</u>
Actuarial present value of accumulated benefits as of December 31, 2008	<u>\$ 46,239,073</u>

The more significant assumptions underlying the computations are as follows:

Assumed rate of return on investments	8.0% compounded annually
Mortality basis	RP 2000 Blended Mortality Table for December 31, 2008
Normal retirement	Age 65

Actuarial assumptions for the period before normal retirement include factors for mortality and termination of employment.

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 accumulated plan benefits.

Plan Changes

Future negotiated benefit increases are immediately recognized in funding cost as required by the Retirement Protection Act of 1994. Previously, changes were reflected when they occurred.

The following changes in Plan provisions took place or became effective in 2009 and are not included in the determination of accumulated plan benefit at December 31, 2008:

- Effective January 1, 2009, the benefit level for Precoat Granite City participants will increase from \$50 to \$55 per month per year of benefit service back to November 21, 1993 or back to the date the employee becomes eligible to participate in the Plan, whichever is later.
- Effective February 1, 2009, the benefit level for Precoat St. Louis participants will increase from \$44 to \$45 per month per year of benefit service back to February 1, 1992 or back to the date the employee becomes eligible to participate in the Plan, whichever is later; effective February 1, 2011, the benefit level will increase from \$45 to \$46 per month per year of benefit

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service back to February 1, 1992 or back to the date the employee becomes eligible to participate in the Plan, whichever is later.

- Effective November 1, 2009, the benefit level for Chromalloy Oklahoma participants will increase from \$35 to \$36 per month per year of benefit service back to November 1, 2007 or back to the date the employee becomes eligible to participate in the Plan, whichever is later; and effective November 1, 2011, the benefit level will increase from \$36 to \$37 per month per year of benefit service back to November 1, 2007 or back to the date the employee becomes eligible to participate in the Plan, whichever is later.
- Effective January 1, 2010, the benefit level for Chromalloy Los Angeles active participants on January 1, 2010 will increase from \$30 to \$34 per month per year of benefit service back to August 1, 1987 or date the employee becomes eligible to participate in the Plan, whichever is later. Effective January 1, 2012, the benefit level will increase from \$34 to \$35 per month per year of benefit service back to August 1, 1987 or date the employee becomes eligible to participate in the Plan, whichever is later.

(6) Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit 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 changes could materially affect the amounts reported in the statement 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.

The Plan's investments include securities that may directly or indirectly invest in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by sub-prime mortgage loans. The value, liquidity and related income of these securities is sensitive to changes in economic conditions, including real estate value, delinquencies of defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

(7) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated April 4, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Sequa Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

(8) The Sequa Corporation Master Trust Information (Unaudited)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by The Bank of New York Mellon, the Trustee of the Plan and the Master Trust, and was not subject to any auditing procedures performed by the independent auditors except for comparing such information with the related information included in the financial statements. Investment (loss) income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average and month-end market values invested by each plan or by specific expense allocations by provider.

Each participating retirement plan has an individual interest in the Master Trust. The Plan's interest in the Master Trust as a percentage of net assets of the Master Trust was 11.7% at both December 31, 2009 and 2008.

The following table presents the fair values of investments for the Master Trust as of December 31, 2009 and 2008. Investments that represent 5% or more of the Master Trust's assets are listed separately:

	2009	2008
Investments at fair value:		
Common stock	\$ 54,132,311**	\$ 42,324,214**
Mutual funds:		
Morgan Stanley Emerging Growth Pooled Trust	40,336,369	27,217,405
Templeton Funds Inc. World Fund	22,202,685	16,701,642*
Vanguard Bond Index Fund	111,089,973	104,708,900
Vanguard Emerging Markets Stock Index Fund	22,121,080	12,538,881*
Other mutual funds	56,696,282**	44,244,426**
Collective trust funds:		
EB Daily Valued Stock Index Fund	28,901,005	22,814,011
Other collective trust funds	14,192,168	10,327,590
Limited partnerships	13,984,922	19,244,154**
Total investments at fair value	<u>363,656,795</u>	<u>300,121,223</u>
Cash and cash equivalents:		
BNY Mellon Collective Short Term Investment Fund 5	46,268,538	69,827,322
Other cash and cash equivalents	3,144	103,045
Total cash and investments	<u>409,928,477</u>	<u>370,051,590</u>
Accrued interest	151,246	228,575
Receivables for securities sold, not delivered	454,115	493,671
Payables for securities purchased, not received	(409,883)	(420,318)
Net assets of Master Trust	<u>\$ 410,123,955</u>	<u>\$ 370,353,518</u>
 Plan's interest in assets of Master Trust	 <u>\$ 48,046,435</u>	 <u>\$ 43,376,099</u>

* This investment represented less than 5% of the Master Trust's assets as of December 31, 2008 but is presented for comparative purposes.

Sequa Pension Plan

Notes to Financial Statements

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** No one individual investment included in the amount was 5% or more of the Master Trust's asset balance.

The Master Trust income (loss) for the years ended December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Net appreciation (depreciation) in fair value of investments	\$ 57,779,887	\$ (116,192,294)
Interest	5,047,058	7,115,072
Dividends	3,538,729	4,828,204
Investment income (loss)	<u>\$ 66,365,674</u>	<u>\$ (104,249,018)</u>
Plan's interest in investment income (loss) of Master Trust	<u>\$ 7,771,600</u>	<u>\$ (12,222,352)</u>

During 2009 and 2008, the Master Trust's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) in value by \$57,779,887 and \$(116,192,294), respectively, as follows:

	<u>2009</u>	<u>2008</u>
Common stock	\$ 11,025,638	\$ (23,617,002)
Mutual funds	40,304,670	(73,727,581)
Collective trust funds	9,951,499	(19,235,966)
Limited partnerships	(3,501,920)	388,255
Net appreciation (depreciation) in fair value of investments	<u>\$ 57,779,887</u>	<u>\$ (116,192,294)</u>

(9) Fair Value Measurements

FASB ASC Topic 820 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Sequa Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

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.

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

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Plan at year end.

Collective trust funds: Valued at the asset value per unit as determined by the collective trust as of the valuation date, which approximates fair value. Except for a short-term investment fund, there are no restrictions as to the redemption of these common collective trusts nor does the Plan have any contractual obligations to further invest in any individual common collective trusts.

For the short-term investment fund, in order to control liquidity and avoid realized losses on the sale of securities, requests for cash redemptions were not permitted where participants desired to exit the fund. In making this determination to restrict participants from exiting the fund, the Trustee considered the liquidity position of the fund, the anticipated need for liquidity going forward, the current market prices of the securities in the fund and the effect of the redemption on the non-redeeming participants in the fund. The Plan has no contractual obligations to further invest in the fund.

Limited partnerships: Fair value is based on the best information available and is determined by the General Partner of the Partnership by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public or private transactions, valuations for publicly-traded comparable companies and/or other measures and consideration of any other pertinent information including the types of securities held and restrictions on disposition. The methods employed to determine the fair value use either the market, income or cost approaches.

The Plan applied the practical expedient for valuing its investment in limited partnerships as permitted under ASU 2009-12, which allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share, or its equivalent, as reported by the general partner. The Plan cannot withdraw from the limited partnerships prior to their dissolution. Because the limited partnership interests cannot be redeemed in the near term, the investments are included in Level 3 of the fair value hierarchy.

Sequa Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

The following represents a summary of the redemption periods of limited partnerships investments:

	Fair Value at December 31, 2009	Date of Redemption
Irving Place Capital Partners II L.P.	\$ 8,289,075	April 2011 unless extended for an additional 2 years
TCW Shared Opportunity Fund IV LP	1,723,597	December 2010 unless extended for an additional 2 years
Other limited partnership interests	3,972,250	Ranges from July 2010 to December 2012
	<u>\$ 13,984,922</u>	

The primary business objective of the limited partnerships is to seek significant capital appreciation through private equity and equity-related investments in leveraged buyouts, recapitalizations and growth capital opportunities. The Plan does not have any significant contractual obligations to further invest in any of the individual limited partnerships.

The amount of liquidity provided to investors in a particular limited partnership is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to the investors).

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 at the reporting date.

The investment information presented was taken from the certified amounts provided by the Trustee.

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

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Domestic common stock	\$ 54,132,311	\$ -	\$ -	\$ 54,132,311
Mutual funds:				
Large cap equity funds	42,499,411	-	-	42,499,411
Mid cap equity funds	18,568,296	-	-	18,568,296
Small cap equity funds	40,336,369	-	-	40,336,369
International equity funds	39,952,340	-	-	39,952,340
Fixed income fund	111,089,973	-	-	111,089,973
Collective trust funds:				
Mid cap equity fund	-	28,901,005	-	28,901,005
Domestic stock index fund	-	14,192,168	-	14,192,168
Limited partnerships and private equity funds	-	-	13,984,922	13,984,922
Total assets at fair value	<u>\$ 306,578,700</u>	<u>\$ 43,093,173</u>	<u>\$ 13,984,922</u>	<u>\$ 363,656,795</u>

Sequa Pension Plan
Notes to Financial Statements
December 31, 2009 and 2008

December 31, 2008

	Level 1	Level 2	Level 3	Total
Common stock	\$ 42,324,214	\$ -	\$ -	\$ 42,324,214
Mutual funds	205,411,254	-	-	205,411,254
Collective trust funds	-	33,141,601	-	33,141,601
Limited partnerships	-	-	19,244,154	19,244,154
Total assets at fair value	<u>\$ 247,735,468</u>	<u>\$ 33,141,601</u>	<u>\$ 19,244,154</u>	<u>\$ 300,121,223</u>

The following tables set forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the years ended December 31, 2009 and 2008:

	Balance, January 1, 2009	Acquisitions/ (Dispositions), Net	Realized/ (Unrealized) Gains (Losses)	Balance, December 31, 2009
Limited partnerships	\$ 19,244,154	\$ (1,757,312)	\$ (3,501,920)	\$ 13,984,922

	Balance, January 1, 2008	Acquisitions/ (Dispositions), Net	Realized/ (Unrealized) Gains (Losses)	Balance, December 31, 2008
Limited partnerships	\$ 20,232,650	\$ (1,376,751)	\$ 388,255	\$ 19,244,154

(10) Subsequent Events

We evaluated subsequent events from the date of the financial statements through September 22, 2010, which represents the date these financial statements were issued. There were no other events or transactions occurring during this subsequent event reporting period which require recognition or disclosure in the financial statements.

Schedule H, Part I, line 2(l)(2)

The amount listed on line 2(l)(2) of Schedule H, Part I constitutes the plan's PBGC premium for 2009.

**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 Sequa Retirement Plan	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sequa Corporation	D Employer Identification Number (EIN) 13-1885030
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>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value.....	2a	326,977,018
b Actuarial value.....	2b	359,674,719
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	3,684
b For terminated vested participants.....	3b	3,659
c For active participants:		
(1) Non-vested benefits.....	3c(1)	1,572,780
(2) Vested benefits.....	3c(2)	56,236,704
(3) Total active.....	3c(3)	1,758
d Total.....	3d	9,101
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐		
a Funding target disregarding prescribed at-risk assumptions.....	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate.....	5	8.20 %
6 Target normal cost.....	6	4,203,465

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>Paul M. Baugher</u> <i>PMR</i>	<u>10/06/2010</u>
	Signature of actuary	Date
<u>Paul Baugher</u>	Type or print name of actuary	<u>08-06586</u>
<u>Buck Consultants, LLC.</u>	Firm name	Most recent enrollment number
<u>231 South Bemiston, Suite 400</u>		(314) 725-0114
<u>St. Louis</u>	MO 63105-1914	Telephone number (including area code)
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)	58,567,395	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)	58,567,395	0
10 Interest on item 9 using prior year's actual return of <u>(21.61)</u> %	(12,656,414)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		
b Interest on (a) using prior year's effective rate of _____%		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Reduction in balances due to elections or deemed elections		
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	45,910,981	0

Part III Funding percentages

14 Funding target attainment percentage	14	106.32 %
15 Adjusted funding target attainment percentage	15	121.87 %
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	122.26 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years	19a 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 0

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year

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

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 63
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	
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	
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	0
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
		0
36 Additional cash requirement (item 34 minus item 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	0
38 Interest-adjusted excess contributions for current year (see instructions)	38	0
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 SB, Part V – Summary of Plan Provisions

Effective date: The effective date of the Plan is January 1, 1952. The plan was last restated effective January 1, 2002.

Eligibility: Effective January 1, 1989, an employee is eligible to participate on the date the employee attains age 21 and completes one year of service. Each employee who was a participant in the plan immediately before January 1, 1989, shall continue to be a participant in the plan.

Effective December 31, 2005 all active participants who had attained age 45 on or before December 31, 2005 were required to make a one-time irrevocable election either to continue earning accruals in the plan after December 31, 2005 or to freeze accruals and to participate instead in the discretionary profit-sharing portion of the Sequa 401(k) plan. All accruals were frozen for all active participants who had not attained age 45 on or before December 31, 2005.

Vesting service: The sum of all periods of service and credited severance periods, measured in full years and completed months.

Benefit service: *Retirement and Consolidated (including TACR)*

The sum of all periods of service beginning at the date an employee became a participant in this plan or a prior plan. However, if an employee elected to begin making the required employee contributions on the earliest date eligible, benefit service will begin at his date of hire, subject to age restrictions (not before age 25 prior to January 1, 1985; not before age 21 on or after January 1, 1985). Effective January 1, 1989, benefit service for new employees is calculated from date of employment.

After Six

Completed months of service from the employee's date of hire. Excludes service before February 27, 1968 for Superior Pants employees.

Participant contributions : None. Beginning January 1, 1989, the Company pays the full cost of the Plan.

Average compensation: *Retirement and Consolidated (including TACR)*

The monthly average of a participant's total W-2 earnings (excluding fringe benefits, but including, bonus, overtime and any elective deductions) beginning at the later of 1994 or date of employment and ending at termination of employment.

After Six

The monthly average of a participant's total W-2 earnings (excluding fringe benefits, but including, bonus, overtime and any elective deductions) beginning at the later of 1984 or date of employment and ending at termination of employment.

Covered compensation: The amount of monthly compensation with respect to which old age and survivor's insurance benefits would be provided to the participant under the Social Security Act, in effect as of the date of termination, determined as if the participant's annual compensation was equal to the maximum amount of earnings subject to tax under the Federal Insurance Contributions Act (OASDI portion). If a participant terminates employment before his Social Security Normal Retirement Age, the total annual compensation used in the year of termination will be used for all subsequent years through the participant's Social Security Normal Retirement Age.

Normal retirement date: Age 65.

Early retirement date: A participant who has attained age 55 may retire at any time prior to normal retirement age upon the completion of 5 years of vesting service. Early retirement is available at age 50 with 10 years of service for participants of the Chromalloy American Corporation Pension Plan for Salaried Employees on December 31, 1988.

Retirement benefits: *Retirement and Consolidated (including TACR)*

1. Normal retirement

The greater of (a) or (b) plus (c):

- (a) The sum of (i) and (ii)
 - (i) .9% of average compensation multiplied by years of benefit service.
 - (ii) .6% of average compensation in excess of covered compensation multiplied by years of benefit service not in excess of 35 years.
- (b) 1.1% of average compensation multiplied by years of benefit service.
- (c) The product of (i), (ii), and (iii)
 - (i) The participant's shortfall addition per year percentage.
 - (ii) Average compensation.
 - (iii) Benefit service earned after December 31, 1996 and before January 1, 2000.

In no event shall a participant's monthly normal retirement benefit be less than \$70.

In no event shall a participant's monthly normal retirement benefit be less than the monthly accrued benefit as of December 31, 1996.

For participants in the prior Sun Chemical Corporation Retirement Plan who attained age 60 prior to January 1, 1989, an additional benefit is provided. The benefit is equal to .6% of average compensation multiplied by years of benefit service after January 1, 1989, not in excess of 5 years.

For non-highly compensated participants in the prior Sun Chemical Corporation Retirement Plan or the Chromalloy American Corporation Pension Plan for Salaried Employees who had attained age 55 as of January 1, 1989 with ten years of service, a minimum benefit is provided. The minimum benefit is equal to the prior plan formula benefit as if it were in effect at the participant's date of termination.

2. Early retirement

The normal retirement benefit calculated using average compensation, benefit service, and covered compensation as of the early retirement date and reduced by 6.67% for each of the first 5 years and by 3.33% for each additional year that early retirement precedes the normal retirement date.

For prior plan participants, a minimum early retirement benefit based on the 12-31-88 accrued benefit and prior plan early retirement reduction factors is applied. For prior plan participants in the Chromalloy American Corporation Pension Plan for Salaried Employees as of 12-31-88, an unreduced early retirement benefit is provided for participants whose age plus vesting service equal or exceeds 90.

3. Late retirement

The normal retirement benefit, calculated using average compensation and benefit service as of the late retirement date.

After Six

1. Normal retirement

The greatest of (a), (b), (c) or (d):

- (a) .9% of average compensation multiplied by benefit service plus .6% of average compensation that exceeds covered compensation multiplied by benefit service not in excess of 35 years.
- (b) 1.1% of average compensation multiplied by benefit service.
- (c) The monthly accrued benefit under the plan as of December 31, 1988.
- (d) For non-highly compensated participants who were age 55 with 10 years of service as of January 1, 1989, their expected benefit under the prior plan formula prorated for termination before normal retirement date.

2. Early retirement

The normal retirement benefit as of the participant's early retirement date reduced by 6.67% for each year that the participant's age is less than 65 but greater than 60 and 3.33% for each year that the participant's age is less than 60 but greater than 55.

3. Late retirement

The normal retirement benefit, calculated using average compensation and benefit service as of the late retirement date.

Termination of employment:

Upon termination prior to retirement but after 5 years of vesting service after age 18, a pension is payable to the participant commencing at normal retirement date equal to the pension accrued under I(1). This pension may commence early subject to the same reductions for early commencement as in early retirement.

Death benefits:

After 5 years of vesting service a pension is payable to the spouse of the participant in an amount equal to a 50% Qualified Pre-retirement Survivor Annuity, deferred to the participant's earliest retirement age (if applicable).

Prior plan accounts:

Certain employees retain rights to account balances under prior plans in which the employee made contributions, to which a portion of the pension is attributable. Such accounts accrue interest at a rate determined annually by statute and are depleted by each pension payment made. The balance in such employee's account is paid to the employee upon termination of employment prior to eligibility for any other benefits or to his beneficiary upon his death when no further pensions on his account are payable. Certain employees have purchased annuities payable by an insurance company, which are offset from the benefits otherwise payable by the plan.

Summary of Changes from the January 1, 2008 Valuation

The maximum allowable compensation limit increased to \$245,000 in 2009 from \$230,000 in 2008.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

The assumptions shown below apply to both Sequa Corporation and TACR unless otherwise noted.

Funding discount rates

Current Year: IRS Yield Curve for applicable month that is 2 months prior to the valuation date (i.e. for November, derived from daily yield curves during October). Effective interest rate for Sequa Corporation is 8.20% and for TACR is 7.96%.

<u>Maturity</u>	<u>Yield</u>	<u>Maturity</u>	<u>Yield</u>	<u>Maturity</u>	<u>Yield</u>	<u>Maturity</u>	<u>Yield</u>	<u>Maturity</u>	<u>Yield</u>
0.5	5.45%	20.5	8.11%	40.5	7.17%	60.5	6.87%	80.5	6.72%
1.0	6.19%	21.0	8.06%	41.0	7.15%	61.0	6.86%	81.0	6.72%
1.5	6.83%	21.5	8.02%	41.5	7.14%	61.5	6.86%	81.5	6.71%
2.0	7.32%	22.0	7.97%	42.0	7.13%	62.0	6.85%	82.0	6.71%
2.5	7.64%	22.5	7.93%	42.5	7.12%	62.5	6.85%	82.5	6.71%
3.0	7.83%	23.0	7.89%	43.0	7.11%	63.0	6.85%	83.0	6.71%
3.5	7.95%	23.5	7.85%	43.5	7.10%	63.5	6.84%	83.5	6.70%
4.0	8.03%	24.0	7.81%	44.0	7.09%	64.0	6.84%	84.0	6.70%
4.5	8.11%	24.5	7.77%	44.5	7.09%	64.5	6.83%	84.5	6.70%
5.0	8.18%	25.0	7.74%	45.0	7.08%	65.0	6.83%	85.0	6.70%
5.5	8.25%	25.5	7.71%	45.5	7.07%	65.5	6.82%	85.5	6.69%
6.0	8.33%	26.0	7.68%	46.0	7.06%	66.0	6.82%	86.0	6.69%
6.5	8.41%	26.5	7.65%	46.5	7.05%	66.5	6.81%	86.5	6.69%
7.0	8.50%	27.0	7.62%	47.0	7.04%	67.0	6.81%	87.0	6.69%
7.5	8.57%	27.5	7.59%	47.5	7.03%	67.5	6.81%	87.5	6.68%
8.0	8.65%	28.0	7.57%	48.0	7.03%	68.0	6.80%	88.0	6.68%
8.5	8.71%	28.5	7.54%	48.5	7.02%	68.5	6.80%	88.5	6.68%
9.0	8.77%	29.0	7.52%	49.0	7.01%	69.0	6.80%	89.0	6.68%
9.5	8.81%	29.5	7.50%	49.5	7.00%	69.5	6.79%	89.5	6.67%
10.0	8.85%	30.0	7.48%	50.0	7.00%	70.0	6.79%	90.0	6.67%
10.5	8.87%	30.5	7.46%	50.5	6.99%	70.5	6.78%	90.5	6.67%
11.0	8.89%	31.0	7.44%	51.0	6.98%	71.0	6.78%	91.0	6.67%
11.5	8.89%	31.5	7.42%	51.5	6.97%	71.5	6.78%	91.5	6.67%
12.0	8.89%	32.0	7.40%	52.0	6.97%	72.0	6.77%	92.0	6.66%
12.5	8.87%	32.5	7.39%	52.5	6.96%	72.5	6.77%	92.5	6.66%
13.0	8.85%	33.0	7.37%	53.0	6.95%	73.0	6.77%	93.0	6.66%
13.5	8.82%	33.5	7.35%	53.5	6.95%	73.5	6.76%	93.5	6.66%
14.0	8.79%	34.0	7.34%	54.0	6.94%	74.0	6.76%	94.0	6.66%
14.5	8.74%	34.5	7.32%	54.5	6.94%	74.5	6.76%	94.5	6.65%
15.0	8.70%	35.0	7.31%	55.0	6.93%	75.0	6.75%	95.0	6.65%
15.5	8.65%	35.5	7.29%	55.5	6.92%	75.5	6.75%	95.5	6.65%
16.0	8.60%	36.0	7.28%	56.0	6.92%	76.0	6.75%	96.0	6.65%
16.5	8.54%	36.5	7.26%	56.5	6.91%	76.5	6.74%	96.5	6.65%
17.0	8.49%	37.0	7.25%	57.0	6.91%	77.0	6.74%	97.0	6.64%
17.5	8.43%	37.5	7.24%	57.5	6.90%	77.5	6.74%	97.5	6.64%
18.0	8.38%	38.0	7.22%	58.0	6.89%	78.0	6.73%	98.0	6.64%
18.5	8.32%	38.5	7.21%	58.5	6.89%	78.5	6.73%	98.5	6.64%
19.0	8.27%	39.0	7.20%	59.0	6.88%	79.0	6.73%	99.0	6.64%
19.5	8.22%	39.5	7.19%	59.5	6.88%	79.5	6.73%	99.5	6.63%
20.0	8.16%	40.0	7.18%	60.0	6.87%	80.0	6.72%	100.0	6.63%

Prior Year: Segment rates as shown below. Effective interest rate for Sequa Corporation is 6.10% and for TACR is 6.23%.

First Segment Rate	5.31%
Second Segment Rate	5.92%
Third Segment Rate	6.43%

Prescribed Funding/PBGC Assumptions and Methods (continued)

PBGC variable premium

Current Year:	Same as funding	
Prior Year:	First Segment Rate	4.93%
	Second Segment Rate	6.13%
	Third Segment Rate	6.69%

Mortality

	Current Year	Prior Year
Annuitant	RP-2000 Healthy Annuitant Table projected to 2016	RP-2000 Healthy Annuitant Table projected to 2015
Non-annuitant	RP-2000 Employees Table projected to 2024	RP-2000 Employees Table projected to 2023

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.

Non-Prescribed Funding Assumptions and Methods

Cost-of-living

Current and Future Years: 4.00%
Prior Year: 4.00%

Salary increase assumption

Cost-of-living

Social Security

Annual increase in maximum wage base: 0.5% above cost-of-living

Expenses

Current Year: Expected administrative expenses were added to the Target Normal Cost (\$805,048 for Sequa Corporation and \$10,386 for TACR).

Prior Year: Investment returns are net of expenses.

Frequency of optional payment forms

Form	Frequency
Single Life Annuity	50%
50% Joint and Survivor Annuity	50%

Marital percentage

80% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Disability rates

No disability rates are assumed.

Retirement rates

Age	Assumption
55	5%
56	3%
57	3%
58	3%
59	3%
60	3%
61	3%
62	25%
63	10%
64	10%
65	100%

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal rates

Sample rates as follows:

Age	Service					
	0 Years	1 Year	2 Years	3 Years	4 Years	5+ Years
25	30.0%	29.0%	28.0%	27.0%	26.0%	25.0%
30	21.0%	20.0%	19.0%	18.0%	17.0%	16.0%
35	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%
40	10.0%	9.0%	8.0%	7.0%	6.0%	5.0%
45	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%
50	5.0%	4.0%	3.0%	2.0%	1.0%	0.0%
55	4.0%	3.0%	2.0%	1.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Asset Valuation Method

The Valuation Assets are determined using a method that spreads asset gains/(losses) over 2 years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Valuation Assets.

The expected return on plan assets is 8.0% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2008 measurement period:	6.43%
2007 measurement period:	6.09%

Summary of Changes from the January 1, 2008 Valuation

The funding discount rate method changed from using segment rates to using the full yield curve with a two-month lookback. The PBGC discount rate method was changed from PBGC segment rates to be consistent with the funding discount rate. The mortality table was updated to reflect the latest table specified by the IRS. An expense load was added to be compliant with the requirements of PPA.

Assumptions and Methods for Accounting Purposes

The assumptions and methods for accounting purposes are the same as those for Funding with the following exceptions:

FAS 35 discount rate

Current Year:	8.00%
Prior Year:	8.00%

FAS 87/158 discount rate

Current Year for 2009 expense and 2008 year-end disclosure:	6.42%
Prior Year for 2008 expense and 2007 year-end disclosure:	6.48%

FAS 87 Expected long-term rate of return

Current Year:	8.30%
Prior Year:	8.30%

Mortality

RP-2000 Blended Mortality Table statically projected to 2006 using Scale AA.

Expenses

Investment returns are net of expenses.

Actuarial cost method

Projected Unit Credit Method in accordance with FASB Statement 87.

Market-Related Value of Assets

Fair market value.

Summary of Changes from the January 1, 2008 Valuation

The FAS 87/158 discount rate was changed from 6.48% for 2008 expense to 6.42% for 2009 expense.