Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for: [X] single-employer plan [ ] multiple-employer plan (not multiemployer) [ ] one-participant plan

B This return/report is for: [ ] first return/report [ ] final return/report
[ ] an amended return/report [ ] short plan year return/report (less than 12 months)

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
HOWARD KELLY DBA KELLY QSR GROUP LLC DEFINED BENEFIT PLAN & TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2000

2a Plan sponsor's name and address (employer, if for single-employer plan)
HOWARD KELLY DBA KELLY QSR GROUP LLC

24626 CASSELBERRY DR
PORTER, TX 77365

2b Employer Identification Number (EIN) 11-3762404

2c Plan sponsor's telephone number 281-449-8980

2d Business code (see instructions) 722210

3a Plan administrator's name and address (if same as Plan sponsor, enter "Same")
HOWARD KELLY DBA KELLY QSR GROUP LLC 24626 CASSELBERRY DR
PORTER, TX 77365

3b Administrator's EIN 11-3762404

3c Administrator's telephone number 281-449-8980

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. Sponsor's name
HOWARD KELLY DBA MCDONALDS

4b EIN 76-0354568

4c PN 001

5a Total number of participants at the beginning of the plan year	**5a**	40
b Total number of participants at the end of the plan year	**5b**	40
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	218778	250782
b Total plan liabilities	7b	0	
c Net plan assets (subtract line 7b from line 7a)	7c	218778	250782

8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from: **(1)** Employers	8a(1)	15000	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	17004	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		32004
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		0
i Net income (loss) (subtract line 8h from line 8c)	8i		32004
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

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

Part V Compliance Questions

10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) [X] Yes [ ] No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? [ ] Yes [X] No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline? [ ] Yes [ ] No [ ] N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? [ ] Yes [X] No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	10/12/2010	HOWARD KELLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	HOWARD KELLY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

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

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

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

A Name of plan
HOWARD KELLY DBA KELLY QSR GROUP LLC DEFINED BENEFIT PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HOWARD KELLY DBA KELLY QSR GROUP LLC

D Employer Identification Number (EIN)
11-3762404

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

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

Part I Basic Information

1	Enter the valuation date: Month _____ Day _____ Year _____			
2	Assets:			
a	Market value	**2a**		218778
b	Actuarial value	**2b**		218778
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**		
b	For terminated vested participants	**3b**	7	5716
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		6697
	(2) Vested benefits	**3c(2)**		296771
	(3) Total active	**3c(3)**	33	303468
d	Total	**3d**	40	309184
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**		6.37 %
6	Target normal cost	**6**		0

Statement by Enrolled Actuary

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

SIGN HERE

09/22/2010
Signature of actuary — Date

THOMAS D. HANSEN — 08-01626
Type or print name of actuary — Most recent enrollment number

PERSONALIZED PENSIONS, INC. — 480-596-4015
Firm name — Telephone number (including area code)

10197 N. 92ND STREET
1
SCOTTSDALE, AZ 85258
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)	13372	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)	13372	0
10	Interest on item 9 using prior year's actual return of -14.02 %	-1875	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		6972
b	Interest on (a) using prior year's effective rate of 6.08 %		424
c	Total available at beginning of current plan year to add to prefunding balance		7396
d	Portion of (c) to be added to prefunding balance		7396
12	Reduction in balances due to elections or deemed elections	11497	7396
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	70.75 %
15	Adjusted funding target attainment percentage	15	70.75 %
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	69.52 %
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
08/23/2010	15000	0			
		Totals ► 18(b)		15000	18(c)

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	13511

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:	
5.59 %	6.34 %	6.54 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 1

22 Weighted average retirement age — **22**: 65

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

Part VI Miscellaneous items

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

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

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

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		71855	12875
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		12875

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	0	0	0

36 Additional cash requirement (item 34 minus item 35)	**36**	12875
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	13511
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	636
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**	

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection.

Part I Annual Report Identification Information

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

A This return/report is for: [X] single-employer plan [ ] multiple-employer plan (not multiemployer) [ ] one-participant plan

B This return/report is for: [ ] first return/report [ ] final return/report
[ ] an amended return/report [ ] short plan year return/report (less than 12 months)

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

Part II Basic Plan Information --- enter all requested information.

1a Name of plan
Howard Kelly dba McDonalds Defined Benefit Plan & Trust

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 2000-01-01

2a Plan sponsor's name and address (employer, if for single-employer plan)
Howard Kelly dba Kelly QSR Group LLC

24626 Casselberry Dr

US Porter TX 77365

2b Employer Identification Number (EIN) 11-3762406

2c Plan sponsor's telephone number (281) 449-8980

2d Business code (see instructions) 722210

3a Plan administrator's name and address (if same as plan employer, enter "Same")
Same

3b Administrator's EIN

3c Administrator's telephone number

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. Sponsor's Name
Howard Kelly dba McDonalds

4b EIN 76-0354568

4c PN 001

5a	Total number of participants at the beginning of the plan year	5a	36
b	Total number of participants at the end of the plan year	5b	36
c	Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c	

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

			(a) Beginning of Year	(b) End of Year
7	Plan Assets and Liabilities			
a	Total plan assets	7a	218,778	250,782
b	Total plan liabilities	7b	0	
c	Net plan assets (subtract line 7b from line 7a)	7c	218,778	250,782

			(a) Amount	(b) Total
8	Income, Expenses, and Transfers for this Plan Year			
a	Contributions received or receivable from: (1) Employers	8a(1)	15,000	
	(2) Participants	8a(2)		
	(3) Others (including rollovers)	8a(3)		
b	Other income (loss)	8b	17,004	
c	Total income(add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		32,004
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e	Certain deemed and/or corrective distributions (see instructions)	8e		
f	Administrative service providers (salaries, fees, commissions)	8f		
g	Other expenses	8g		
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		0
i	Net income (loss) (subject line 8h from line 8c)	8i		32,004
j	Transfers to (from) the plan (see instructions)	8j		

Part VI Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

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

Part VII Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contribution within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance services or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VIII Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) [X] Yes [ ] No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? [ ] Yes [X] No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline? [ ] Yes [ ] No [ ] N/A

Part IX Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? [ ] Yes [X] No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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	Howard Kelly	10/11/10	Howard Kelly
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
	Howard Kelly	10/11/10	Howard Kelly
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

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

Howard Kelly Defined Benefit Illustration

/ 001

For the plan year 1/1/2009 through 12/31/2009

The age reported is the average of the assumed retirement ages for all active participants as of the valuation date rounded to the nearest whole age. For an active late retiree, the assumed retirement age may be later than the Plan's normal retirement age. Each participant's rate of retirement is assumed to be 100% of his/her assumed retirement age.

Schedule SB, line 19 - Discounted Employer Contributions

Howard Kelly Defined Benefit Illustration

/ 001

For the plan year 1/1/2009 through 12/31/2009

Valuation Date: 1/1/2009

	Date	Amount	Adjusted Contribution	Adjusted Prior Year Contribution	Adjusted Quarterly	Effective Rate	Penalty Rate
Deposited Contribution	**9/11/2010**	**$15,000**					
Applied to Additional Contribution	1/1/2009	706	636	0	0	6.37	0
Applied to MRC	1/1/2009	14,294	12,875	0	0	6.37	0
Totals for Deposited Contribution		$15,000	$13,511	$0	$0		

Schedule SB, line 32 -
Schedule of Amortization Bases
Howard Kelly Defined Benefit Illustration
/ 001
For the plan year 1/1/2009 through 12/31/2009

	Date Base Established	Original Base Amount	Type of Base	Present Value of Remaining Installments	Years Remaining Amortization Period	Amortization Installment
	01/01/2008	38,277	Shortfall	33,493	6	6,400
	01/01/2009	38,362	Shortfall	38,362	7	6,475
Totals:				$71,855		$12,875

Schedule SB (Form 5500)

Howard Kelly Defined Benefit Illustration

/ 001

For the plan year 1/1/2009 through 12/31/2009

Basic Information

1. Valuation date: 1/1/2009
2. Assets:
   - a. Market value: 218,778
   - b. Actuarial value: 218,778
3. Funding target/participant count breakdown

	1. Number of Participants	2. Funding Target
a. Retired participants and beneficiaries receiving payments	0	0
b. Terminated vested participants	7	5,716
c. Active participants		
i. Non-vested benefits		6,697
ii. Vested benefits		296,771
iii. Total active	33	303,468
d. Total	40	309,184

4. At-risk
   - a. Funding target disregarding prescribed at-risk assumptions
   - b. Funding target reflecting at-risk assumptions, but disregarding transition rule (at-risk <5 cons yrs) and loading factor
5. Effective interest rate: 6.37%
6. Target normal cost: 0

Beginning of year carryover and prefunding balances

	a. Carryover Balance	b. Prefunding Balance
7. Balance at beginning of prior year	13,372	0
8. Offset to prior years funding requirement	0	0
9. Amount remaining (7-8)	13,372	0
10. Int on 9 using prior years actual return of -14.02%	-1,875	0
11. Prior years excess contributions		
a. Excess contributions (line 38 from prior year)		0
b. Int on (a) using prior years effective rate of 6.08%		6,972
c. Total available at beginning of current plan year		6,972
d. Portion of (c) added to prefunding balance		6,972
12. Voluntary or Deemed Reduction	11,497	6,972
13. Balance at beginning of current year (9+10+11d-12)	0	0

Funding percentages

14. FTAP: 70.75%
15. AFTAP: 70.75%
16. Prior years funding percentage: 69.52%
17. Percentage of funding target (<70%)

Contributions and liquidity shortfalls

18. Contributions made to plan: $15,000.00

Schedule SB (Form 5500)

Howard Kelly Defined Benefit Illustration

/ 001

For the plan year 1/1/2009 through 12/31/2009

19. Discounted employer contributions:
    a. Contributions to minimum from prior years: 0
    b. Contributions to avoid restrictions: 0
    c. Contributions to minimum for current year: 13,511

Assumptions used determine funding target and target normal cost

21. Discount rate:
    a. Segment rates

1st	2nd	3rd
5.59	6.34	6.54

☐ N/A, full yield curve used

    b. Applicable month - First month prior to valuation date: 1

22. Weighted average retirement age: 65

23. Mortality table ☑ Prescribed -- combined ☐ Prescribed -- separate ☐ Substitute

Reconciliation of unpaid required contributions for prior years

28. Unpaid minimum required contributions: 0
29. Discounted employer contributions: 0
30. Remaining amount (28-29): 0

Minimum required contribution for current year

31. Target normal cost: 0

32. Amortization installments:

	Outstanding Balance	Installment
a. Net shortfall	71,855	12,875
b. Waiver	0	0

34. Total funding requirement (31+32a+32b): 12,875

35. Balances to offset funding requirement

a. Carryover Balance	b. Prefunding Balance	c. Total Balance
0	0	0

36. Additional cash requirement (34-35): 12,875
37. Contributions to minimum for current year (19c): 13,511
38. Excess contribution for current year: 636
39. Unpaid minimum required contributions for current year: 0
40. Unpaid minimum required contributions for all years: 0

Schedule SB, Part V
Summary of Plan Provisions

Howard Kelly Defined Benefit Illustration
/ 001
For the plan year 1/1/2009 through 12/31/2009

Employer: Howard Kelly

Type of Entity - Sole-Proprietorship

EIN: TIN: Plan #: 001

Dates: Effective - 1/1/2000 Year end - 12/31/2009 Valuation - 1/1/2009

Eligibility: All employees excluding non-resident aliens, members of an excluded class and union

Minimum age - 21 Months of service - 6

Hours Required for - Eligibility - 1000 Benefit accrual - 1000 Vesting - 1000

Plan Entry - First day of plan year during which eligibility satisfied

Retirement: Normal - First of month coincident with or next following attainment of age 65 and completion of 5 years of participation

Early - Not provided

Average Compensation: Highest 3 consecutive years of participation

Top Heavy Minimum Benefit - Highest 5 consecutive top heavy years of participation

Plan Benefits: Retirement - Benefit accruals frozen

Minimum Benefit - None

Maximum Benefit - None

Accrued Benefit - Unit credit based on participation.

Minimum Benefit - None

Maximum Benefit - None

Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality

Death Benefit - Present Value of Accrued Benefit

Top Heavy Minimum: None

IRS Limitations: 415 Limits - Percent: 100 Dollar: $195,000

Maximum 401(a)(17) compensation - $245,000

Normal Form: Life Annuity

Optional Forms: Lump Sum
Life Annuity Guaranteed for 10 Years
Joint with 50%, 75% or 100% Survivor Benefit

Vesting Schedule:

Years	Percent
0-1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Service is calculated using all years of service

Schedule SB, Part V
Summary of Plan Provisions

Howard Kelly Defined Benefit Illustration
/ 001
For the plan year 1/1/2009 through 12/31/2009

Present Value of Accrued Benefit: Based on the greater of 417(e) or Actuarial Equivalence

417(e):

Interest Rates -

Segment #	Years	Rate %
Segment 1	0 - 5	4.41
Segment 2	6 - 20	4.57
Segment 3	> 20	4.27

Mortality Table - 09E - 2009 Applicable Mortality Table for 417(e) (unisex)

Actuarial Equivalence:

Pre-Retirement - Interest - 6%
Mortality Table - None

Post-Retirement - Interest - 5%
Mortality Table - G83 - 1983 Group Annuity

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	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	B Three-digit plan number (PN) ▶
Howard Kelly dba McDonalds Defined Benefit Plan & Trust	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ	**D** Employer Identification Number (EIN)
Howard Kelly dba Kelly QSR Group LLC	11-3762404

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

Part I Basic Information

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

2	Assets:			
a	Market value	2a		218,778
b	Actuarial value	2b		218,778
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a		
b	For terminated vested participants	3b	7	5,716
c	For active participants:			
	(1) Non-vested benefits	3c(1)		6,697
	(2) Vested benefits	3c(2)		296,771
	(3) Total active	3c(3)	33	303,468
d	Total	3d	40	309,184
4	If the plan is at-risk, check the box and complete lines 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		6.37
6	Target normal cost	6		0

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 opion, 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 — Date: 9/22/10

Thomas D. Hansen — Type or print name of actuary

08-01626 — Most recent enrollment number

Personalized Pensions, Inc. — Firm name

(480) 596-4015 — Telephone number (including area code)

10197 N. 92nd Street
1
US Scottsdale AZ 85258
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)	13,372	
8 Portion used to offset prior year's funding requirement (item 35 from prior year)	0	
9 Amount remaining (item 7 minus item 8)	13,372	
10 Interest on item 9 using prior year's actual return of -14.02 %	(1,875)	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (item 38 from prior year)		6,972
b Interest on (a) using prior year's effective rate of 6.08 %		424
c Total available at beginning of current plan year to add to prefunding balance		7,396
d Portion of item (c) to be added to prefunding balance		7,396
12 Reduction in balances due to elections or deemed elections	11,497	7,396
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	70.75 %
15 Adjusted funding target attainment percentage	15	70.75 %
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	69.52 %
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 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
08/23/2010	15,000				
			Totals ▶ 18(b)	15,000	18(c)

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	13,511

20 Quarterly contributions and liquidity shortfall(s):

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
	5.59 %	6.34 %	6.54 %	

b Applicable month (enter code)	21b	1
22 Weighted average retirement age	22	65

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	

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	71,855	12,875
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	12,875

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

36 Additional cash requirement (item 34 minus item 35)	36	12,875
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	13,511
38 Interest-adjusted excess contributions for current year (see instructions)	38	636
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	
40 Unpaid minimum required contribution for all years	40	

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Howard Kelly Defined Benefit Illustration
/ 001
For the plan year 1/1/2009 through 12/31/2009

Valuation Date: 1/1/2009

Funding Method: As prescribed in IRC Section 430

Age - Eligibility age at last birthday and other ages at last birthday

New participants are not included in current year's valuation

Prospective Compensation - Highest 3 consecutive years of participation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417(e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate. Lump sum on plan actuarial equivalence rates will not exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality

Interest Rates - Segment rates for the First Month Prior to Val Date as permitted under IRC 430(h)(2)(C) & (G)

Segment #	Year	Rate %
Segment 1	0 - 5	5.59
Segment 2	6 - 20	6.34
Segment 3	> 20	6.54

Pre-Retirement - Mortality Table - None

Turnover/Disability - None

Salary Scale - 2%

Expense Load - None

Ancillary Ben Load - None

Post-Retirement - Mortality Table - 09C - 2009 Funding Target - Combined - IRC 430(h)(3)(A)

Cost of Living - None

Lump Sum - G83 - 1983 Group Annuity at 5%
or
09E - 2009 Applicable Mortality Table for 417(e) (unisex)

Asset Valuation Method: Fair market value of assets adjusted for contributions under IRC 430(g)(4)

Discrimination Test Assumptions:

HCE Determination - Based on all employees

Otherwise Excludable - Otherwise Excludable HCEs are included with the Not Otherwise Excludable employees

410(b)/401(a)(4) Testing:

Pre-Retirement - Interest - 8%

Post-Retirement - Interest - 8%

Mortality Table - G83M - 1983 Group Annuity (male)

Permissively Aggregated Plans - Not tested As Single Plan

Compensation - Use current compensation to calculate the benefit accrual rate (annual method)

Testing Age - Normal retirement age or attained age, if older

Normal Form for MVAR - Joint with 50% Survivor Benefits