Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(K) PLAN

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 01/01/1999

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
MADELAINE CHOCOLATE NOVELTIES, INC.

96-03 BEACH CHANNEL DRIVE
ROCKAWAY BEACH, NY 11693

2b Employer Identification Number (EIN)
11-1844700

2c Sponsor's telephone number
718-945-1500

2d Business code (see instructions)
311300

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/16/2010	NORMAN GOLD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
MADELAINE CHOCOLATE NOVELTIES, INC.

96-03 BEACH CHANNEL DRIVE
ROCKAWAY BEACH, NY 11693

3b Administrator's EIN
11-1844700

3c Administrator's telephone number
718-945-1500

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	377
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**	337
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	11
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	348
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	348
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	51
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 3B 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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 01/01/2008 and ending 12/31/2008

A Name of plan
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(K) PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
MADELAINE CHOCOLATE NOVELTIES, INC.

D Employer Identification Number (EIN)
11-1844700

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)	8151	5786
(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)	19495	41000
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	547733	434773
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	575379	481559
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	575379	481559

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)	74253	
	(C) Others (including rollovers)	2a(1)(C)	28	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		74281
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)	2435	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2435
	(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)	15687	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		15687
	(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)		
(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)		-157397
c Other income	2c		-189
d Total income. Add all **income** amounts in column (b) and enter total	2d		-65183
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	27663	
(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)		27663
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	1000	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1000
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		28663
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-93846
l Transfers of assets:			
(1) To this plan	2l(1)		26
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: RONNIE MILLMAN ZOLIN CPA (2) EIN: 11-3347081

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

63 WATERBURY LANE
WESTBURY, NEW YORK 11590
TEL: 516-338-1238
FAX: 516-338-7516

August 12, 2010

MADELAINE CHOCOLATE NOVELTIES, INC.
96-03 Beach Channel Drive
Rockaway Beach, NY 11693

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the financial statements of the Madelaine Chocolate Novelties Employee 401(k) Plan as of December 31, 2008 and December 31, 2007 and for the years ended December 31, 2008 and December 31, 2007, and the supplemental schedules as of December 31, 2008 and 2007. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by ING Institutional Plan Services, LLC (formerly knows as Citistreet LLC) the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the custodian as of December 31, 2008 and for the year ended December 31, 2007 that the information provided to the Plan administrator by the custodian is complete and accurate.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subsequent to issuing the original December 31, 2008 Independent Auditors' Report, an adjustment came to our attention and the statement was corrected to reflect these changes (see Note 8).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2008 and December 31, 2007, and changes in its financial status for the year then ended and information regarding net assets available for plan benefits and changes therein as of and for the year ended December 31, 2008 in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of investments accompanying the financial statements is presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Very truly yours,

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

RMZ:sm
Enclosures

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2008	December 31, 2007
Assets		
Investments	434,773	547,733
Receivables		
Participants' contributions	5,786	8,151
Participants' loans	41,000	20,464
Loan Adjustment	0	(969)
Total Receivables	46,786	27,646
Net Assets Available for Plan Benefits	481,559	575,379

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2008

Additions to net assets attributed to:	
Investment Income:	
Interest Income	2,435
Dividend Income	15,687
Loss on Sale of Securities	(20,800)
	(2,678)
Contributions:	
Participants	74,281
Total Additions	71,603
Deductions from net assets attributed to:	
Benefits paid to participants	27,663
Plan administration expenses	1,000
Net Decrease in Fair Value of Investments	136,597
Miscellaneous Adjustment	163
Total Deductions	165,423
Increase in net assets	(93,820)
Net assets available for benefits - beginning	575,379
Net assets available for benefits - end	481,559

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2008 AND 2007

1. Description of Plan:

The following description of the MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(k) PLAN (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan is a "salary reduction" or 401(k) plan covering all full-time union employees of MADELAINE CHOCOLATE NOVELTIES, INC. and Macho LLC. who have attained the age of 21, and who have at least three months of service, as defined. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
Each year, participants may contribute up to 92% of pretax annual compensation, up to the maximum limit as defined in the Plan. Participants direct the investment of their contributions into various investment fund options offered by the Plan.

Participant Accounts
Each participant's account is credited with the participant's contributions. Participant accounts are also adjusted for actual gains and losses based on their selected investment fund options. Administrative expenses of the Plan are allocated to the participants accounts on a pro rata basis. The benefits to which a participant is entitled is the benefit that can be provided from the participant's account.

Benefits
Participants may elect to receive benefits in a lump sum, in installment payments (over a period not to exceed the life expectancy of the participant, or the participant and spouse) or through the purchase of a deferred annuity. Annuity benefits are payable pursuant to a group annuity contract issued by Travelers Insurance Company.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2008 AND 2007

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Plan are prepared using the accrual method of accounting.

Investment Valuation and Income Recognition
Investments, other than participant loans, are stated at fair value, as measured by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Participant loans are stated at cost, which approximates fair value.

Payment of Benefits
Benefits are recorded when paid.

Note 3 – Investments
The plan offers various participant directed investment options. The following table presents the investments as of December 31, 2008 and 2007. Investments, other than participant loans, are stated at fair value based on quoted market prices. Participant loans are stated at cost, which approximates fair value. The information was obtained from data that has been prepared and certified to be complete and accurate by Citistreet Retirement Services, the custodian of the Plan.

The following table presents the fair value of the Plan's investments.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2008

	Fair Value 2008
Investments at fair value as determined by quoted market prices.	
*AIM Charter Fund	39,967
Fidelity Adv. Freedom	15,833
Lord Abbett Affil.	11,334
Lord Abbett Mid-Cap	3,179
Lord Abbett Small Cap. Value	927
Legg Mason Aggressive Growth	3,771
*Legg Mason Appreciation	119,420
Legg Mason Growth Trust	15,145
Legg Mason Int'l. Equity Trust	8,029
Legg Mason Inv. Grade Bond Mid-Cap	22,708
*Legg Mason Short-Term Grade Bond	26,987
LMP Global High Yield	328
MFS Total Return Port	13,030
Pioneer Emerging Markets Fund	10,179
*Western Asset Money Market	143,936
Participants' Loan Fund	41,000
TOTAL	475,773

*Investments that represent 5% or more the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2007

	Fair Value 2007
Investments at fair value as determined by quoted market prices.	
*AIM Charter Fund	56,178
Lord Abbett Affil.	16,222
Lord Abbett Mid-Cap	5,260
Lord Abbett Small Cap. Value	9,271
Legg Mason Aggressive Growth	12,110
*Legg Mason Appreciation	189,478
*Legg Mason Growth Trust	35,876
Legg Mason Int'l. Equity Trust	21,275
*Legg Mason Inv. Grade Bond	30,861
Legg Mason Short-Term Inv. Grade Bond	26,428
LMP Global High Yield	477
MFS Total Return Port.	15,206
Pioneer Emerging Markets Fund	10,445
*Western Asset Money Market	118,646
Participants' Loan Fund	20,464
TOTAL	568,197

*Investments that represent 5% or more the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2008 AND 2007

Note 4 – Plan Termination
Although it has not expressed any intent to do so, the Corporation has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

Note 5 – Tax Status
The Internal Revenue Service has determined in a letter dated June 5, 2002, that the Plan and related amendments are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan was originally adopted as of January 1999. The amended restated provisions became effective on January 1, 2003. The restatement was made to conform the Plan to new tax laws and some provisions may be retroactively effective.

Note 6 – Concentration of Credit Risk
Financial instruments, which potentially subject the Plan to concentrations of credit risk, consist principally of participant directed investment funds. The Plan places its investments with high credit quality investment managers to mitigate risk.

Note 7 – Participant Loans
The Plan allows for loans up to one half of a participant's account balance. Loans are repayable within a term of five years or less.

Note 8 – Restatement of Plan Valuation
Plan valuation amounts and loan balances are reported to us by ING, the investment company who manages the company's funds. After this statement was issued, they adjusted their figures to reflect a difference in monies applied to participants' contributions and participants' loan accounts. The revised financial statement for 2008 reflects these adjustments.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2008

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	52,973	39,967
Fidelity Adv. Freedom	18,100	15,833
Lord Abbett Affil.	19,318	11,334
Lord Abbett Mid-Cap	6,972	3,179
Lord Abbett Small Cap. Value	1,437	927
Legg Mason Aggressive Growth	6,203	3,771
*Legg Mason Appreciation	175,314	119,420
Legg Mason Growth Trust	34,988	15,145
Legg Mason Int'l. Equity Trust	14,668	8,029
Legg Mason Inv. Grade Bond	31,880	22,708
*Legg Mason Short-Term Inv. Grade Bond	31,756	26,987
Lump Global High Yield Bon A	554	328
MFS Total Return Port.	18,069	13,030
Pioneer Emerging Markets Fund	22,464	10,179
*Western Asset Money Market	143,936	143,936
Participants' Loan Fund	41,000	41,000
TOTAL	619,632	475,773

*Investments that represent 5% or more the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2007

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	53,213	56,178
Lord Abbett Affil.	17,622	16,222
Lord Abbett Mid-Cap	6,657	5,260
Lord Abbett Small Cap. Value	10,014	9,271
Legg Mason Aggressive Growth	12,099	12,110
*Legg Mason Appreciation	195,472	189,478
*Legg Mason Growth Trust	35,078	35,876
Legg Mason Int'l. Equity Trust	21,602	21,275
*Legg Mason Inv. Grade Bond	32,018	30,861
Legg Mason Mid Cap Core	0	0
Legg Mason Short-Term Inv. Grade Bond	27,273	26,428
Lump Global High Yield Bon A	512	477
MFS Total Return Port.	16,163	15,206
Pioneer Emerging Markets Fund	8,637	10,445
*Western Asset Money Market	118,646	118,646
Participants' Loan Fund	20,464	20,464
TOTAL	575,470	568,197

*Investments that represent 5% or more the Plan's assets.

Official Use Only

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 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).

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

OMB No. 1210-0110

2008

This Form is Open to Public Inspection.

For calendar year 2008 or fiscal plan year beginning , and ending ,

A Name of plan MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(K) PLAN	**B** Three-digit plan number ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 MADELAINE CHOCOLATE NOVELTIES, INC.	**D** Employer Identification Number 11-1844700

Part I Distributions

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

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

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the plan year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 04-3581074

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**

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 7.

5 If a waiver of the minimum funding standard for a prior plan year is being amortized in this plan year, see instructions, and enter the date of the ruling letter granting the waiver . . . . . ▶ 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.

6a 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 7 and 8 and complete line 9.

7 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

8 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. (See instructions.) . . . . . ☐ Increase ☐ Decrease ☐ No

Part IV Coverage (See instructions.)

9 Check the box for the test this plan used to satisfy the coverage requirements . . . . ☒ ratio percentage test ☐ average benefit test

2 2 0 8 6 0 0 1 0 J