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 01/01/2009 and ending 12/31/2009

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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FAIR-RITE PRODUCTS CORP. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/1988

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
FAIR-RITE PRODUCTS CORP.

P.O. BOX J, ONE COMMERCIAL ROW
WALLKILL, NY 12589

2b Employer Identification Number (EIN)
14-1389596

2c Sponsor's telephone number
845-895-2055

2d Business code (see instructions)
339900

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.	10/13/2010	CAROLE PARKER
	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")
FAIR-RITE PRODUCTS CORP.

P.O. BOX J, ONE COMMERCIAL ROW
WALLKILL, NY 12589

3b Administrator's EIN
14-1389596

3c Administrator's telephone number
845-895-2055

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**	179
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**	90
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	49
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	141
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f	Total. Add lines **6d** and **6e**	**6f**	143
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	135
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	11
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 2K 2T 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)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider 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). ▶ **File as an attachment to Form 5500.**	**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
FAIR-RITE PRODUCTS CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FAIR-RITE PRODUCTS CORP.

D Employer Identification Number (EIN)
14-1389596

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).. . . . . [X] 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

HARTFORD RETIREMENT SERVICES, LLC

26-1589907

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

SEI TRUST COMPANY

06-1271230

(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)

HARTFORD RETIREMENT SERVICES, LLC

26-1589907

(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 19 25 37 50 52 59 60 62 63 64	0	4317	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

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

A Name of plan
FAIR-RITE PRODUCTS CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
FAIR-RITE PRODUCTS CORP.

D Employer Identification Number (EIN)
14-1389596

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FIXED FUND

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

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)
23-2852249-002	C	323058

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)

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

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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
FAIR-RITE PRODUCTS CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FAIR-RITE PRODUCTS CORP.

D Employer Identification Number (EIN)
14-1389596

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)	2458	0
(2) Participant contributions	1b(2)	6388	0
(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)	196643	191612
(9) Value of interest in common/collective trusts	1c(9)	534019	323058
(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)	3384819	3898248
(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	4124327	4412918
	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	4124327	4412918

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)	17762	
	(B) Participants	2a(1)(B)	197558	
	(C) Others (including rollovers)	2a(1)(C)	18917	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		234237
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)	8242	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8242
	(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)	79130	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		79130
	(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)		5505
(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)		643417
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		970531
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	674149	
(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)		674149
f Corrective distributions (see instructions)	2f		3474
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	4317	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4317
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		681940
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		288591
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [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: NUGENT & HAEUSSLER P.C. (2) EIN: 14-1567370

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		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.	4n		X	

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

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

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

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
FAIR-RITE PRODUCTS CORP. 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FAIR-RITE PRODUCTS CORP.

D Employer Identification Number (EIN)
14-1389596

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 year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 06-0974148

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

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):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
DECEMBER 31, 2009 and 2008

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
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Nugent & Haeussler, P.C.
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— CONSULTANT —
Randy E. Bullis, CPA

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Fair-Rite Products Corp. 401(k) Plan
Wallkill, NY

We were engaged to audit the financial statements of Fair-Rite Products Corp. 401(k) Plan as of December 31, 2009 and 2008 and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009 as listed in the accompanying Table of Contents. These financial statements and schedule 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 6, which was certified by Hartford Retirement Services, LLC, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, 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.

Nugent & Haeussler, P.C.
NUGENT & HAEUSSLER, P.C

October 6, 2010

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 and 2008

	2009	2008
ASSETS:		
Investments at fair value (Note 3)	$ 4,221,303	$ 3,918,838
Contributions receivable	0	8,846
Participant notes receivable	191,615	196,643
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	$ 4,412,918	$ 4,124,327

See accompanying notes.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 643,417	$(1,476,585)
Earnings	92,877	26,343
Total investment income	736,294	(1,450,242)
Contributions:		
Participants'	197,558	360,365
Employer's	17,762	102,602
Rollover	18,917	0
Total contributions	234,237	462,967
Total additions	970,531	(987,275)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants & distributions	677,623	288,697
Management fees paid	4,317	1,275
Total deductions	681,940	289,972
Net increase (decrease)	288,591	(1,277,247)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	4,124,327	5,401,574
End of year	$ 4,412,918	$ 4,124,327

See accompanying notes.

NOTE 1. DESCRIPTION OF PLAN.

The following description of the Fair-Rite Products Corp. 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General

The Plan covers substantially all full-time employees of Fair-Rite Products Corp. (Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

B. Eligibility for Plan Participation and Benefits

Each eligible employee will become a participant in the Plan on the entry date which coincides with or next follows his/her completion of the required six months of service, provided the employee has attained the minimum participation age of 19 as of such entry date. The Plan entry dates are the first day of January, April, July and October. If an employee terminates employment and is later re-hired by the Company, he will resume participation in the Plan upon date of hire.

C. Contributions

Each year, participants may contribute up to 25 percent of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company made discretionary matching contributions in the amount of 60 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 3 percent of a participant's compensation. Additional amounts may be contributed at the option of management. The company suspended matching contributions to the plan on March 1, 2009 and reinstated them on December 27, 2009. Upon reinstatement, the Company currently makes discretionary matching contributions in the amount of 40 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 2 percent of a participant's compensation.

D. Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

E. Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

F. Investment Options

The Plan's trustee is Hartford Retirement Services, LLC and is also responsible for the record keeping with respect to individual participant accounts.

All contributions to the Plan in 2009 and 2008 were directed by the participants of the Plan into the following investment options based upon each individual's investment elections:

Calvert Income A is an intermediate-term bond fund with average durations that are greater than 3.5 years and less than six years.

MFS Core Equity Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

Oppenheimer Main Street Fund A is a large blend fund that have portfolios that are fairly representative of the overall stock market in size, growth rates and price.

MFS New Endeavor Rund is a mid-cap growth fund that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices.

MFS Fixed Fund seeks to earn a current income stream that is relatively consistent over time.

Lord Abbett All Value P is a large-blende fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

Columbia Midcap Value Fund-A is a Amcap Growth Fund that invests in stocks of medium sizes, thus leading to a mix of small, mid and large cap stocks.

MFS Value Fund is a large-value fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

MFS Research International Fund is a foreign large-blend fund that invests in a variety of big international stocks.

MFS Conservative Allocation Fund is a conservative-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

F. Investment Options (Continued)

MFS Moderate Allocation Fund is a moderate-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds and cash.

Federated Total Return Bond A is a fund that invests primarily in a diversified portfolio of investment grade fixed-income securities.

Franklin Strategic Income A is a fund that invests in many different securities issued or guaranteed by the U.S. government or its agencies or instrumentalities.

MFS Growth Allocation Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

MFS Aggress Growth Allocation is large growth fund that invests in big companies that are projected to grow faster than other large-cap stocks.

Columbia Marisco 21st Century is a large growth fund that is an aggressive growth fund that invests in equity securities of companies of any capitalization size.

American Century Heritage A is a fund that invests primarily in companies with earnings and revenues that are growing at an accelerating pace.

Aston/Tamro Small Cap N is a fund that invests primarily in a blended portfolio of growth and value stocks of small-cap companies.

Victory Diversified Stock A is a fund that invests primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

G. Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans may be repaid during fixed terms not to exceed five years except for loans used for the purchase of a principal residence which may be repaid over a maximum of ten years. The loans are secured by the balance in the participant's account and carry interest at 1% over prime. Once the rate is established, it remains fixed over the life of the loan. Principal and interest is paid ratably through weekly payroll deductions.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

H. Payment of Benefits

A participant's account will be distributed upon termination of employment, disability, retirement or death. In the event of such separation prior to age 65, the terminated participant may elect to defer the distribution until the participant reaches age 65 or to an earlier date, provided that the participant's eligible distribution exceeds $5,000. However, a participant must begin receiving benefits no later than April 1 of the calendar year following the year the participant reaches age 70-1/2. The participant may elect to withdraw part of the participant's 401(k) deferrals or the vested part of their account attributable to matching contributions for the following reasons: satisfying a financial hardship, attainment of age 59-1/2, or attainment of the Plan's normal retirement date (latter of age 65 or 5 years of participation).

I. Forfeited Accounts

At December 31, 2009 and 2008, forfeited non-vested accounts totaled $1,775 and $184 respectively. These accounts will be used to reduce future employer contributions or pay plan expenses.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Basis of Accounting
The financial statements of the Fair-Rite Products Corp. 401(k) Plan are prepared under the accrual method of accounting.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participant notes receivable are valued at cost which approximates fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Significant Investments

The following investments represent more than 5% of the Plan's net assets as of December 31, 2009 and 2008:

		2009	2008
MFS Aggressive Growth Allocation	8.05%	339,983	0
Federated Total Return Bond	16.99%	717,306	0
Victory Diversified Stock FD	8.83%	372,607	0
Calvert Income Fund		0	760,848
Fixed Fund	7.65%	323,058	534,019
Lord Abbott All Value Fund P	6.88%	290,610	268,950
MFS Conservative Allocation	9.25%	390,468	234,069
MFS Growth Allocation Fund	7.50%	316,799	219,241
MFS Moderate Allocation Fund	10.14%	428,149	515,345
MFS Research International Fund	8.94%	377,477	320,116
MFS Value Fund	5.37%	226,763	217,515

Payment of Benefits

Benefits are recorded when paid.

NOTE 3. FAIR VALUE MEASUREMENTS

The company adopted the provisions of FASB ASC 820-10 "Fair Value Measurements and Disclosures" (Formerly SFAS No. 157). FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on quoted market prices.

Level 3 Fair Value Measurements

The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of the participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance. The following table provides further details of the Level 3 fair value measurements.

NOTE 3. FAIR VALUE MEASUREMENTS

Level 3 Fair Value Measurements (Continued)
The plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value	Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2009			
Mutual Funds	$ 4,221,303	$ 4,221,303	$ 0
Participant Loans	191,615	0	191,615
Total	$ 4,412,918	$ 4,221,303	$ 191,615
December 31, 2008			
Mutual Funds	$ 3,918,838	$ 3,918,838	$ 0
Participant Loans	196,643	0	196,643
Total	$ 4,115,481	$ 3,918,838	$ 196,643

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Participant Loans
December 31, 2009	
Beginning Balance	$ 196,643
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,028)
Ending Balance	$ 191,615
December 31, 2008	
Beginning Balance	$ 202,089
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,446)
Ending Balance	$ 196,643

NOTE 4. DEFERRED DISTRIBUTIONS.

As discussed in Note 1, upon termination, retirement or disability prior to age 65, participants may elect to defer their distributions until the participant reaches age 65 or to an earlier date. During this deferral period, the participant's interest in the Plan will share in the actual experience of Plan investments and a subsequent valuation will be made immediately prior to actual distribution. At December 31, 2009 and 2008 the value of such deferred distributions approximated $496,775 and $373,660, respectively.

NOTE 5. PLAN TERMINATION.

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 6. INFORMATION PREPARED AND CERTIFIED BY HARTFORD RETIREMENT SERVICES, LLC

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Hartford Retirement Services, LLC. Investments are valued at the reported net asset values.

Fixed Fund	323,058
Lord Abbott All Value Fund P	290,610
Columbia Mid Cap Value Fund	160,981
Franklin Strategic Income Fund	1,936
Victory Diversified Stock FD	372,607
MFS Value Fund	226,763
MFS Research International Fund	377,477
MFS Conservative Allocation	390,468
MFS Moderate Allocation Fund	428,149
MFS Growth Allocation Fund	316,799
MFS Aggress Growth Allocation	339,983
Aston/Tamro Small Cap Fund	97,169
American Century Heritage	10,369
Columbia Marisco 21st Century	167,628
Federated Total Return Bond	717,306
TOTAL INVESTMENTS	$ 4,221,303

NOTE 7. RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Hartford Retirement Services, LLC formerly Massachusetts Financial Services Companies (MFS). Hartford Retirement Services, LLC, is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

NOTE 8. SIGNIFICANT FEES PAID BY SPONSOR.

All significant fees, such as audit fees and bonding costs are paid by the Plan sponsor.

NOTE 9. TAX STATUS.

The Plan designed by Hartford Retirement Services, LLC is a prototype profit sharing plan with 401(k) provisions approved by the Internal Revenue Service (IRS).

NOTE 10. RISKS AND UNCERTAINTIES.

The Plan invests in various investment securities. Investment securities are exposed to various risks such 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 participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Uncertain Tax Positions

The Company adopted the provisions of FASB ASC 740-10 on January 1, 2009. This standard requires all taxpayers to analyze all material positions they have taken or plan to take in all tax returns that have been filed or should have been filed with all taxing authorities for all years still subject to challenge by those taxing authorities. If the position taken is more-likely-than-not" to be sustained by the taxing authority on its technical merits and if there is more than a 50% likelihood that the position would be sustained if challenged and considered by the highest court in the relevant jurisdiction, the tax consequences of that position should be reflected in the taxpayer's GAAP financial statements. Using that guidance, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of December 31, 2009.

NOTE 10. RISKS AND UNCERTAINTIES.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN & TRUST
PLAN NUMBER: 003
EIN 14-1389596

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Fixed Fund	Preservation Account	323,058	323,058
	Lord Abbott All Value Fund P	Large Value Fund	230,199	290,610
	Columbia Mid Cap Value Fund	Large Growth Fund	125,277	160,981
	Franklin Strategic Income Fund A	Multisector Bond	1,758	1,936
	Victory Diversifed Stock FD	Large Blend Fund	298,395	372,607
*	MFS Value Fund	Large Value Fund	195,584	226,763
*	MFS Research International Fund	Foreign Large Blend Fund	295,700	377,477
*	MFS Conservative Allocation	Conservative Allocation Fund	341,064	390,468
*	MFS Moderate Allocation Fund	Moderate Allocation Fund	367,023	428,149
*	MFS Growth Allocation Fund	Large Blend Fund	248,050	316,799
*	MFS Aggress Growth Allocation	Large Blend Fund	252,208	339,983
	Aston/Tamro Small Cap Fund – N	Small Blend Fund	72,651	97,169
	American Century Heritage	Mid-Cap Growth Fund	7,488	10,369
	Columbia Marsico 21st Century	Large Growth Fund	131,833	167,628
	Federated Total Return Bond	Intermediate Term-Bond	673,110	717,306
	Fair-Rite Products Corp.	Participant Loans, 4.00%-9.50%Var.Maturities	0	191,615

*Denotes known party-in-interest as defined by ERISA

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
DECEMBER 31, 2009 and 2008

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Fair-Rite Products Corp. 401(k) Plan
Wallkill, NY

We were engaged to audit the financial statements of Fair-Rite Products Corp. 401(k) Plan as of December 31, 2009 and 2008 and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009 as listed in the accompanying Table of Contents. These financial statements and schedule 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 6, which was certified by Hartford Retirement Services, LLC, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, 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.

Nugent & Haeussler, P.C.
NUGENT & HAEUSSLER, P.C

October 6, 2010

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 and 2008

	2009	2008
ASSETS:		
Investments at fair value (Note 3)	$ 4,221,303	$ 3,918,838
Contributions receivable	0	8,846
Participant notes receivable	191,615	196,643
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	$ 4,412,918	$ 4,124,327

See accompanying notes.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 643,417	$(1,476,585)
Earnings	92,877	26,343
Total investment income	736,294	(1,450,242)
Contributions:		
Participants'	197,558	360,365
Employer's	17,762	102,602
Rollover	18,917	0
Total contributions	234,237	462,967
Total additions	970,531	(987,275)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants & distributions	677,623	288,697
Management fees paid	4,317	1,275
Total deductions	681,940	289,972
Net increase (decrease)	288,591	(1,277,247)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	4,124,327	5,401,574
End of year	$ 4,412,918	$ 4,124,327

See accompanying notes.

NOTE 1. DESCRIPTION OF PLAN.

The following description of the Fair-Rite Products Corp. 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General

The Plan covers substantially all full-time employees of Fair-Rite Products Corp. (Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

B. Eligibility for Plan Participation and Benefits

Each eligible employee will become a participant in the Plan on the entry date which coincides with or next follows his/her completion of the required six months of service, provided the employee has attained the minimum participation age of 19 as of such entry date. The Plan entry dates are the first day of January, April, July and October. If an employee terminates employment and is later re-hired by the Company, he will resume participation in the Plan upon date of hire.

C. Contributions

Each year, participants may contribute up to 25 percent of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company made discretionary matching contributions in the amount of 60 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 3 percent of a participant's compensation. Additional amounts may be contributed at the option of management. The company suspended matching contributions to the plan on March 1, 2009 and reinstated them on December 27, 2009. Upon reinstatement, the Company currently makes discretionary matching contributions in the amount of 40 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 2 percent of a participant's compensation.

D. Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

E. Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

F. Investment Options

The Plan's trustee is Hartford Retirement Services, LLC and is also responsible for the record keeping with respect to individual participant accounts.

All contributions to the Plan in 2009 and 2008 were directed by the participants of the Plan into the following investment options based upon each individual's investment elections:

Calvert Income A is an intermediate-term bond fund with average durations that are greater than 3.5 years and less than six years.

MFS Core Equity Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

Oppenheimer Main Street Fund A is a large blend fund that have portfolios that are fairly representative of the overall stock market in size, growth rates and price.

MFS New Endeavor Rund is a mid-cap growth fund that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices.

MFS Fixed Fund seeks to earn a current income stream that is relatively consistent over time.

Lord Abbett All Value P is a large-blende fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

Columbia Midcap Value Fund-A is a Amcap Growth Fund that invests in stocks of medium sizes, thus leading to a mix of small, mid and large cap stocks.

MFS Value Fund is a large-value fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

MFS Research International Fund is a foreign large-blend fund that invests in a variety of big international stocks.

MFS Conservative Allocation Fund is a conservative-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

F. Investment Options (Continued)

MFS Moderate Allocation Fund is a moderate-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds and cash.

Federated Total Return Bond A is a fund that invests primarily in a diversified portfolio of investment grade fixed-income securities.

Franklin Strategic Income A is a fund that invests in many different securities issued or guaranteed by the U.S. government or its agencies or instrumentalities.

MFS Growth Allocation Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

MFS Aggress Growth Allocation is large growth fund that invests in big companies that are projected to grow faster than other large-cap stocks.

Columbia Marisco 21st Century is a large growth fund that is an aggressive growth fund that invests in equity securities of companies of any capitalization size.

American Century Heritage A is a fund that invests primarily in companies with earnings and revenues that are growing at an accelerating pace.

Aston/Tamro Small Cap N is a fund that invests primarily in a blended portfolio of growth and value stocks of small-cap companies.

Victory Diversified Stock A is a fund that invests primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

G. Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans may be repaid during fixed terms not to exceed five years except for loans used for the purchase of a principal residence which may be repaid over a maximum of ten years. The loans are secured by the balance in the participant's account and carry interest at 1% over prime. Once the rate is established, it remains fixed over the life of the loan. Principal and interest is paid ratably through weekly payroll deductions.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

H. Payment of Benefits

A participant's account will be distributed upon termination of employment, disability, retirement or death. In the event of such separation prior to age 65, the terminated participant may elect to defer the distribution until the participant reaches age 65 or to an earlier date, provided that the participant's eligible distribution exceeds $5,000. However, a participant must begin receiving benefits no later than April 1 of the calendar year following the year the participant reaches age 70-1/2. The participant may elect to withdraw part of the participant's 401(k) deferrals or the vested part of their account attributable to matching contributions for the following reasons: satisfying a financial hardship, attainment of age 59-1/2, or attainment of the Plan's normal retirement date (latter of age 65 or 5 years of participation).

I. Forfeited Accounts

At December 31, 2009 and 2008, forfeited non-vested accounts totaled $1,775 and $184 respectively. These accounts will be used to reduce future employer contributions or pay plan expenses.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Basis of Accounting
The financial statements of the Fair-Rite Products Corp. 401(k) Plan are prepared under the accrual method of accounting.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participant notes receivable are valued at cost which approximates fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Significant Investments

The following investments represent more than 5% of the Plan's net assets as of December 31, 2009 and 2008:

		2009	2008
MFS Aggressive Growth Allocation	8.05%	339,983	0
Federated Total Return Bond	16.99%	717,306	0
Victory Diversified Stock FD	8.83%	372,607	0
Calvert Income Fund		0	760,848
Fixed Fund	7.65%	323,058	534,019
Lord Abbott All Value Fund P	6.88%	290,610	268,950
MFS Conservative Allocation	9.25%	390,468	234,069
MFS Growth Allocation Fund	7.50%	316,799	219,241
MFS Moderate Allocation Fund	10.14%	428,149	515,345
MFS Research International Fund	8.94%	377,477	320,116
MFS Value Fund	5.37%	226,763	217,515

Payment of Benefits

Benefits are recorded when paid.

NOTE 3. FAIR VALUE MEASUREMENTS

The company adopted the provisions of FASB ASC 820-10 "Fair Value Measurements and Disclosures" (Formerly SFAS No. 157). FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on quoted market prices.

Level 3 Fair Value Measurements

The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of the participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance. The following table provides further details of the Level 3 fair value measurements.

NOTE 3. FAIR VALUE MEASUREMENTS

Level 3 Fair Value Measurements (Continued)
The plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value	Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2009			
Mutual Funds	$ 4,221,303	$ 4,221,303	$ 0
Participant Loans	191,615	0	191,615
Total	$ 4,412,918	$ 4,221,303	$ 191,615
December 31, 2008			
Mutual Funds	$ 3,918,838	$ 3,918,838	$ 0
Participant Loans	196,643	0	196,643
Total	$ 4,115,481	$ 3,918,838	$ 196,643

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Participant Loans
December 31, 2009	
Beginning Balance	$ 196,643
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,028)
Ending Balance	$ 191,615
December 31, 2008	
Beginning Balance	$ 202,089
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,446)
Ending Balance	$ 196,643

NOTE 4. DEFERRED DISTRIBUTIONS.

As discussed in Note 1, upon termination, retirement or disability prior to age 65, participants may elect to defer their distributions until the participant reaches age 65 or to an earlier date. During this deferral period, the participant's interest in the Plan will share in the actual experience of Plan investments and a subsequent valuation will be made immediately prior to actual distribution. At December 31, 2009 and 2008 the value of such deferred distributions approximated $496,775 and $373,660, respectively.

NOTE 5. PLAN TERMINATION.

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 6. INFORMATION PREPARED AND CERTIFIED BY HARTFORD RETIREMENT SERVICES, LLC

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Lord Abbott All Value Fund P	290,610
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MFS Value Fund	226,763
MFS Research International Fund	377,477
MFS Conservative Allocation	390,468
MFS Moderate Allocation Fund	428,149
MFS Growth Allocation Fund	316,799
MFS Aggress Growth Allocation	339,983
Aston/Tamro Small Cap Fund	97,169
American Century Heritage	10,369
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TOTAL INVESTMENTS	$ 4,221,303

NOTE 7. RELATED PARTY TRANSACTIONS

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NOTE 8. SIGNIFICANT FEES PAID BY SPONSOR.

All significant fees, such as audit fees and bonding costs are paid by the Plan sponsor.

NOTE 9. TAX STATUS.

The Plan designed by Hartford Retirement Services, LLC is a prototype profit sharing plan with 401(k) provisions approved by the Internal Revenue Service (IRS).

NOTE 10. RISKS AND UNCERTAINTIES.

The Plan invests in various investment securities. Investment securities are exposed to various risks such 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 participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Uncertain Tax Positions

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NOTE 10. RISKS AND UNCERTAINTIES.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN & TRUST
PLAN NUMBER: 003
EIN 14-1389596

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Fixed Fund	Preservation Account	323,058	323,058
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	Federated Total Return Bond	Intermediate Term-Bond	673,110	717,306
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*Denotes known party-in-interest as defined by ERISA

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
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— CONSULTANT —
Randy E. Bullis, CPA

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Fair-Rite Products Corp. 401(k) Plan
Wallkill, NY

We were engaged to audit the financial statements of Fair-Rite Products Corp. 401(k) Plan as of December 31, 2009 and 2008 and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009 as listed in the accompanying Table of Contents. These financial statements and schedule 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 6, which was certified by Hartford Retirement Services, LLC, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, 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.

Nugent & Haeussler, P.C.
NUGENT & HAEUSSLER, P.C

October 6, 2010

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 and 2008

	2009	2008
ASSETS:		
Investments at fair value (Note 3)	$ 4,221,303	$ 3,918,838
Contributions receivable	0	8,846
Participant notes receivable	191,615	196,643
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	$ 4,412,918	$ 4,124,327

See accompanying notes.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN
WALLKILL, NEW YORK
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 643,417	$(1,476,585)
Earnings	92,877	26,343
Total investment income	736,294	(1,450,242)
Contributions:		
Participants'	197,558	360,365
Employer's	17,762	102,602
Rollover	18,917	0
Total contributions	234,237	462,967
Total additions	970,531	(987,275)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants & distributions	677,623	288,697
Management fees paid	4,317	1,275
Total deductions	681,940	289,972
Net increase (decrease)	288,591	(1,277,247)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	4,124,327	5,401,574
End of year	$ 4,412,918	$ 4,124,327

See accompanying notes.

NOTE 1. DESCRIPTION OF PLAN.

The following description of the Fair-Rite Products Corp. 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General

The Plan covers substantially all full-time employees of Fair-Rite Products Corp. (Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

B. Eligibility for Plan Participation and Benefits

Each eligible employee will become a participant in the Plan on the entry date which coincides with or next follows his/her completion of the required six months of service, provided the employee has attained the minimum participation age of 19 as of such entry date. The Plan entry dates are the first day of January, April, July and October. If an employee terminates employment and is later re-hired by the Company, he will resume participation in the Plan upon date of hire.

C. Contributions

Each year, participants may contribute up to 25 percent of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company made discretionary matching contributions in the amount of 60 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 3 percent of a participant's compensation. Additional amounts may be contributed at the option of management. The company suspended matching contributions to the plan on March 1, 2009 and reinstated them on December 27, 2009. Upon reinstatement, the Company currently makes discretionary matching contributions in the amount of 40 percent of the first 5 percent of base compensation that a participant contributes to the Plan up to a maximum of 2 percent of a participant's compensation.

D. Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

E. Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

F. Investment Options

The Plan's trustee is Hartford Retirement Services, LLC and is also responsible for the record keeping with respect to individual participant accounts.

All contributions to the Plan in 2009 and 2008 were directed by the participants of the Plan into the following investment options based upon each individual's investment elections:

Calvert Income A is an intermediate-term bond fund with average durations that are greater than 3.5 years and less than six years.

MFS Core Equity Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

Oppenheimer Main Street Fund A is a large blend fund that have portfolios that are fairly representative of the overall stock market in size, growth rates and price.

MFS New Endeavor Rund is a mid-cap growth fund that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices.

MFS Fixed Fund seeks to earn a current income stream that is relatively consistent over time.

Lord Abbett All Value P is a large-blende fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

Columbia Midcap Value Fund-A is a Amcap Growth Fund that invests in stocks of medium sizes, thus leading to a mix of small, mid and large cap stocks.

MFS Value Fund is a large-value fund that focuses on big companies that are less expensive or growing more slowly than other large-cap stocks.

MFS Research International Fund is a foreign large-blend fund that invests in a variety of big international stocks.

MFS Conservative Allocation Fund is a conservative-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

F. Investment Options (Continued)

MFS Moderate Allocation Fund is a moderate-allocation fund seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds and cash.

Federated Total Return Bond A is a fund that invests primarily in a diversified portfolio of investment grade fixed-income securities.

Franklin Strategic Income A is a fund that invests in many different securities issued or guaranteed by the U.S. government or its agencies or instrumentalities.

MFS Growth Allocation Fund is a large-blend fund that has portfolios that are fairly representative of the overall stock market in both size, growth rates, and price.

MFS Aggress Growth Allocation is large growth fund that invests in big companies that are projected to grow faster than other large-cap stocks.

Columbia Marisco 21st Century is a large growth fund that is an aggressive growth fund that invests in equity securities of companies of any capitalization size.

American Century Heritage A is a fund that invests primarily in companies with earnings and revenues that are growing at an accelerating pace.

Aston/Tamro Small Cap N is a fund that invests primarily in a blended portfolio of growth and value stocks of small-cap companies.

Victory Diversified Stock A is a fund that invests primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

G. Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loans may be repaid during fixed terms not to exceed five years except for loans used for the purchase of a principal residence which may be repaid over a maximum of ten years. The loans are secured by the balance in the participant's account and carry interest at 1% over prime. Once the rate is established, it remains fixed over the life of the loan. Principal and interest is paid ratably through weekly payroll deductions.

NOTE 1. DESCRIPTION OF PLAN. (Continued)

H. Payment of Benefits

A participant's account will be distributed upon termination of employment, disability, retirement or death. In the event of such separation prior to age 65, the terminated participant may elect to defer the distribution until the participant reaches age 65 or to an earlier date, provided that the participant's eligible distribution exceeds $5,000. However, a participant must begin receiving benefits no later than April 1 of the calendar year following the year the participant reaches age 70-1/2. The participant may elect to withdraw part of the participant's 401(k) deferrals or the vested part of their account attributable to matching contributions for the following reasons: satisfying a financial hardship, attainment of age 59-1/2, or attainment of the Plan's normal retirement date (latter of age 65 or 5 years of participation).

I. Forfeited Accounts

At December 31, 2009 and 2008, forfeited non-vested accounts totaled $1,775 and $184 respectively. These accounts will be used to reduce future employer contributions or pay plan expenses.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Basis of Accounting
The financial statements of the Fair-Rite Products Corp. 401(k) Plan are prepared under the accrual method of accounting.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participant notes receivable are valued at cost which approximates fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Significant Investments

The following investments represent more than 5% of the Plan's net assets as of December 31, 2009 and 2008:

		2009	2008
MFS Aggressive Growth Allocation	8.05%	339,983	0
Federated Total Return Bond	16.99%	717,306	0
Victory Diversified Stock FD	8.83%	372,607	0
Calvert Income Fund		0	760,848
Fixed Fund	7.65%	323,058	534,019
Lord Abbott All Value Fund P	6.88%	290,610	268,950
MFS Conservative Allocation	9.25%	390,468	234,069
MFS Growth Allocation Fund	7.50%	316,799	219,241
MFS Moderate Allocation Fund	10.14%	428,149	515,345
MFS Research International Fund	8.94%	377,477	320,116
MFS Value Fund	5.37%	226,763	217,515

Payment of Benefits

Benefits are recorded when paid.

NOTE 3. FAIR VALUE MEASUREMENTS

The company adopted the provisions of FASB ASC 820-10 "Fair Value Measurements and Disclosures" (Formerly SFAS No. 157). FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on quoted market prices.

Level 3 Fair Value Measurements

The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of the participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance. The following table provides further details of the Level 3 fair value measurements.

NOTE 3. FAIR VALUE MEASUREMENTS

Level 3 Fair Value Measurements (Continued)
The plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value	Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2009			
Mutual Funds	$ 4,221,303	$ 4,221,303	$ 0
Participant Loans	191,615	0	191,615
Total	$ 4,412,918	$ 4,221,303	$ 191,615
December 31, 2008			
Mutual Funds	$ 3,918,838	$ 3,918,838	$ 0
Participant Loans	196,643	0	196,643
Total	$ 4,115,481	$ 3,918,838	$ 196,643

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Participant Loans
December 31, 2009	
Beginning Balance	$ 196,643
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,028)
Ending Balance	$ 191,615
December 31, 2008	
Beginning Balance	$ 202,089
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	0
Purchases, sales, issuances, and settlements (net)	(5,446)
Ending Balance	$ 196,643

NOTE 4. DEFERRED DISTRIBUTIONS.

As discussed in Note 1, upon termination, retirement or disability prior to age 65, participants may elect to defer their distributions until the participant reaches age 65 or to an earlier date. During this deferral period, the participant's interest in the Plan will share in the actual experience of Plan investments and a subsequent valuation will be made immediately prior to actual distribution. At December 31, 2009 and 2008 the value of such deferred distributions approximated $496,775 and $373,660, respectively.

NOTE 5. PLAN TERMINATION.

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 6. INFORMATION PREPARED AND CERTIFIED BY HARTFORD RETIREMENT SERVICES, LLC

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Hartford Retirement Services, LLC. Investments are valued at the reported net asset values.

Fixed Fund	323,058
Lord Abbott All Value Fund P	290,610
Columbia Mid Cap Value Fund	160,981
Franklin Strategic Income Fund	1,936
Victory Diversified Stock FD	372,607
MFS Value Fund	226,763
MFS Research International Fund	377,477
MFS Conservative Allocation	390,468
MFS Moderate Allocation Fund	428,149
MFS Growth Allocation Fund	316,799
MFS Aggress Growth Allocation	339,983
Aston/Tamro Small Cap Fund	97,169
American Century Heritage	10,369
Columbia Marisco 21st Century	167,628
Federated Total Return Bond	717,306
TOTAL INVESTMENTS	$ 4,221,303

NOTE 7. RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Hartford Retirement Services, LLC formerly Massachusetts Financial Services Companies (MFS). Hartford Retirement Services, LLC, is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

NOTE 8. SIGNIFICANT FEES PAID BY SPONSOR.

All significant fees, such as audit fees and bonding costs are paid by the Plan sponsor.

NOTE 9. TAX STATUS.

The Plan designed by Hartford Retirement Services, LLC is a prototype profit sharing plan with 401(k) provisions approved by the Internal Revenue Service (IRS).

NOTE 10. RISKS AND UNCERTAINTIES.

The Plan invests in various investment securities. Investment securities are exposed to various risks such 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 participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Uncertain Tax Positions

The Company adopted the provisions of FASB ASC 740-10 on January 1, 2009. This standard requires all taxpayers to analyze all material positions they have taken or plan to take in all tax returns that have been filed or should have been filed with all taxing authorities for all years still subject to challenge by those taxing authorities. If the position taken is more-likely-than-not" to be sustained by the taxing authority on its technical merits and if there is more than a 50% likelihood that the position would be sustained if challenged and considered by the highest court in the relevant jurisdiction, the tax consequences of that position should be reflected in the taxpayer's GAAP financial statements. Using that guidance, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of December 31, 2009.

NOTE 10. RISKS AND UNCERTAINTIES.

FAIR-RITE PRODUCTS CORP. 401(K) PLAN & TRUST
PLAN NUMBER: 003
EIN 14-1389596

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Fixed Fund	Preservation Account	323,058	323,058
	Lord Abbott All Value Fund P	Large Value Fund	230,199	290,610
	Columbia Mid Cap Value Fund	Large Growth Fund	125,277	160,981
	Franklin Strategic Income Fund A	Multisector Bond	1,758	1,936
	Victory Diversifed Stock FD	Large Blend Fund	298,395	372,607
*	MFS Value Fund	Large Value Fund	195,584	226,763
*	MFS Research International Fund	Foreign Large Blend Fund	295,700	377,477
*	MFS Conservative Allocation	Conservative Allocation Fund	341,064	390,468
*	MFS Moderate Allocation Fund	Moderate Allocation Fund	367,023	428,149
*	MFS Growth Allocation Fund	Large Blend Fund	248,050	316,799
*	MFS Aggress Growth Allocation	Large Blend Fund	252,208	339,983
	Aston/Tamro Small Cap Fund – N	Small Blend Fund	72,651	97,169
	American Century Heritage	Mid-Cap Growth Fund	7,488	10,369
	Columbia Marsico 21st Century	Large Growth Fund	131,833	167,628
	Federated Total Return Bond	Intermediate Term-Bond	673,110	717,306
	Fair-Rite Products Corp.	Participant Loans, 4.00%-9.50%Var.Maturities	0	191,615

*Denotes known party-in-interest as defined by ERISA