

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

Part II	Basic Plan Information—enter all requested information
1a Name of plan DURO BAG MANUFACTURING COMPANY NORTHERN KENTUCKY HOURLY EMPLOYEES RETIREMENT SAVINGS PLAN	1b Three-digit plan number (PN) ▶ 011
	1c Effective date of plan 02/15/1999
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) DURO BAG MANUFACTURING COMPANY 7600 EMPIRE DRIVE FLORENCE, KY 41042-2920	2b Employer Identification Number (EIN) 61-0475966
	2c Sponsor's telephone number 859-581-8200
	2d Business code (see instructions) 322200

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	JACKIE R. ISAACS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2010	JACKIE R. ISAACS
	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") DURO BAG MANUFACTURING COMPANY 7600 EMPIRE DRIVE FLORENCE, KY 41042-2920	3b Administrator's EIN 61-0475966 3c Administrator's telephone number 859-581-8200
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	486
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	389
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	71
d Subtotal. Add lines 6a , 6b , and 6c	6d	460
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	463
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	461
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	16

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2G 2J 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) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan DURO BAG MANUFACTURING COMPANY NORTHERN KENTUCKY HOURLY EMPLOYEES RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 011
C Plan sponsor's name as shown on line 2a of Form 5500 DURO BAG MANUFACTURING COMPANY	D Employer Identification Number (EIN) 61-0475966

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

PENSION CORPORATION OF AMERICA

2133 LURAY AVENUE
CINCINNATI, OH 45206

(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?
13 50	NONE	7975	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 ☐

(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:

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

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

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

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

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan DURO BAG MANUFACTURING COMPANY NORTHERN KENTUCKY HOURLY EMPLOYEES RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ► 011
C Plan sponsor's name as shown on line 2a of Form 5500 DURO BAG MANUFACTURING COMPANY	D Employer Identification Number (EIN) 61-0475966

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	148623	158066
(2) Participant contributions	1b(2)	2356	2377
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	236820	341393
(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)	870271	1192932
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1258070	1694768

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1258070	1694768
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	152009	
(B) Participants	2a(1)(B)	165315	
(C) Others (including rollovers)	2a(1)(C)	676	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		318000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	26356	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		26356

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		41373
(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)		213718
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		599447

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	153622	
(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)		153622
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	7975	
(3) Investment advisory and management fees	2i(3)	952	
(4) Other	2i(4)	200	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		9127
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		162749

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		436698
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: FLAGEL, HUBER, FLAGEL & CO.

(2) EIN: 31-0796034

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.).....	☒		1757
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.).....		☒	
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.)		☒	
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.).....		☒	
e Was this plan covered by a fidelity bond?.....	☒		1250000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒		
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.).....		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

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

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

A Name of plan <u>DURO BAG MANUFACTURING COMPANY NORTHERN KENTUCKY HOURLY EMPLOYEES RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>011</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DURO BAG MANUFACTURING COMPANY</u>	D Employer Identification Number (EIN) <u>61-0475966</u>

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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>75-3182674</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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

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

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

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

TABLE OF CONTENTS

DECEMBER 31, 2009 AND 2008

Independent Auditor's Report	Page 1
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 12
Schedule of Assets Held for Investment Purposes at End of Year	13
Schedule of Delinquent Participant Contributions	14



FLAGEL, HUBER, FLAGEL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Duro Bag Mfg. Co. Northern Kentucky Hourly Employees Retirement Savings Plan

We were engaged to audit the financial statements of Duro Bag Mfg. Co. Northern Kentucky Hourly Employees Retirement Savings Plan as of December 31, 2009 and 2008, and for the years then ended, and the supplemental schedules as of December 31, 2009, as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by MG Trust Company, LLC, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certification from the Trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the Trustee is complete and accurate.

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

Flagel, Huber, Flagel & Co.

Certified Public Accountants

Cincinnati, Ohio

October 11, 2010

Donald R. Harting
Terrence P. Egan
James R. Hochwalt
Charles C. Craft
Randall S. Kuvin
Randolph N. Kramer
David P. Dirksen
Bruce G. Kreinbrink
Julie M. Kline

Terry L. Yoho
Linda B. Hadley
Alexander P. Kurian
Angela L. Gatto
Erin J. Kliesch
Kevin R. Hagstrom
Jeffrey M. Woeste
Robert L. Hesch
Mindy K. Knippen
Kevin A. Bebrle
Rachel E. Dexter
Daniel B. Isenbarger
Mathew R. Jones

RETIRED

Gerald P. Flagel
Louis G. Homan

DECEASED

David E. Flagel
1907-2007
Arthur J. Huber
1931-2009

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	DECEMBER 31,	
	<u>2 0 0 9</u>	<u>2 0 0 8</u>
ASSETS		
Investments, at fair value:		
Registered investment companies	\$ 1,192,932	\$ 870,271
Common/collective trust	<u>341,393</u>	<u>236,820</u>
	<u>1,534,325</u>	<u>1,107,091</u>
Contributions receivable:		
Participants	2,377	2,356
Employer	<u>158,066</u>	<u>148,623</u>
	<u>160,443</u>	<u>150,979</u>
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	1,694,768	1,258,070
Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contracts	<u>12,747</u>	<u>38,048</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 1,707,515</u></u>	<u><u>\$ 1,296,118</u></u>

The accompanying notes are an integral part of these statements.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	FOR THE YEARS ENDED DECEMBER 31,	
	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Contributions:		
Participants	\$ 165,315	\$ 173,299
Employer	152,009	148,137
Rollovers	676	1,131
	<u>318,000</u>	<u>322,567</u>
Net investment gain (loss) from registered investment companies	213,718	(429,001)
Net investment gain from common/collective trust, at contract value	16,072	12,931
Dividends from registered investment companies	26,356	53,073
	<u>256,146</u>	<u>(362,997)</u>
TOTAL ADDITIONS AND INVESTMENT GAIN (LOSS)	<u>574,146</u>	<u>(40,430)</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	153,622	88,884
Administrative expenses	9,127	5,991
	<u>162,749</u>	<u>94,875</u>
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	411,397	(135,305)
NET ASSETS AVAILABLE FOR BENEFITS:		
BALANCE - beginning of year	<u>1,296,118</u>	<u>1,431,423</u>
BALANCE - end of year	<u>\$ 1,707,515</u>	<u>\$ 1,296,118</u>

The accompanying notes are an integral part of these statements.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN

The following description of Duro Bag Mfg. Co. Northern Kentucky Hourly Employees Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with a cash or deferred arrangement covering substantially all hourly employees at the Northern Kentucky manufacturing plants of Duro Bag Mfg. Co. (the Employer), governed by a collective bargaining agreement who have completed one (1) year of service and have attained the age of twenty-one (21). The Plan was initially adopted on February 15, 1999, and is subject to the provisions of the Employee Retirement Income Security Act of 1974.

Effective January 1, 2009, the Plan was amended and is intended to incorporate all necessary changes in law to meet the requirements of the Internal Revenue Code of 1986, as amended, and ERISA. As a result, certain provisions may be retroactively effective.

Contributions

The Plan provides for contributions by participants of an amount not to exceed the maximum amount deductible under the applicable provisions of the Internal Revenue Code of 1986, as amended. The Employer is permitted to make a profit sharing contribution equal to a discretionary percentage of the Employee's eligible compensation (determined each year by the Employer). All Employees who have attained the age of twenty-one (21) and are actively employed at the end of the Plan year are eligible to receive the Employer profit sharing contribution. During 2009 and 2008, the Employer elected to contribute 1.5% of eligible compensation earned for 2009 and 2008.

Participant Accounts

Each participant's account is credited with (a) participant's contribution, (b) Employer contributions, (c) an allocation of Plan earnings and losses and (d) Plan expenses. The participants direct the investment of their account balances among certain investment options. The Employer contributions are invested in accordance with the participants' investment selection.

Rollovers

The Plan permits participants to transfer distributions from other qualified plans into the Plan.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN (Continued)

Hardship Withdrawals

The Plan allows for hardship withdrawals in the event of immediate and heavy financial need of up to 100% of the employee contribution and rollover account.

Vesting

All participant contributions are immediately vested at the time such contributions are made. Participants become vested in Employer profit sharing contributions made for Plan years beginning prior to January 1, 2007 as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5 years	0%
Greater than or equal to 5 years	100%

Participants become vested in Employer profit sharing contributions made for Plan years beginning after December 31, 2006 as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 3 years	0%
Greater than or equal to 3 years	100%

Participants also become immediately vested in Employer profit sharing contributions if employed on or after the normal retirement age, die, or become disabled.

Forfeitures

Forfeitures are created when participants terminate employment before becoming fully vested in the Employer profit sharing contributions. These amounts may be used to reduce future Employer contributions, pay Plan expenses, or may be allocated to remaining participants based on relative qualifying compensation. At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$22,695 and \$17,664, respectively. Also, during 2009 and 2008, Employer contributions were reduced by \$6,061 and \$1,660, respectively, from forfeited nonvested accounts.

Plan Investment Options

Currently upon enrollment in the Plan, participants may direct their deferral contributions in fourteen (14) investment options. Participants may change their investment options daily. Except for the MetLife Managed GIC Fund, there is no guarantee of principal or earnings when participating in these funds.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Payment of Expenses

All expenses of administration may be paid out of the Plan unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. However, the Employer may reimburse the Plan for any administration expense incurred. Any administration expense paid to the Plan as a reimbursement shall not be considered an Employer contribution. During 2009 and 2008, the Employer elected to pay some of the administrative expenses of the Plan.

Payment of Benefits

The benefit to which a Plan participant is entitled is the benefit that can be provided by the contributions made and income earned on investments. Upon service or disability retirement, death, or termination, a participant or beneficiary will receive a payment consisting of a lump-sum amount equal to the value of his account including earnings.

Basis of Accounting

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

As described in FASB ASC 946 (formerly Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through a common/collective trust. Contract value for this common/collective trust is based on the net asset value of the fund as reported by the investment advisor. As required by FASB ASC 946, the Statements of Net Assets Available for Benefits present the fair value of the investment in the common/collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 5).

The Plan presents in the Statements of Changes in Net Assets Available for Benefits, the net investment gain (loss) from common/collective trust, which consists of interest, dividends, realized gains or losses and unrealized appreciation (depreciation) on that investment. The Plan presents in the Statements of Changes in Net Assets Available for Benefits, the net investment gain (loss) from registered investment companies, which consists of realized gains or losses and unrealized appreciation (depreciation) on those investments. Purchases and sales of securities are reflected on a trade-date basis. Interest and dividend income is recorded when earned.

Financial instruments, which subject the Plan to significant concentrations of credit risk, consist primarily of investments (see Note 4 for a summary of the Plan's investments).

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Codification (Codification). Effective July 1, 2009, the Codification is the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The Codification is intended to reorganize, rather than change, existing GAAP. Accordingly, all references to currently existing GAAP have been removed and have been replaced with plain English explanations of the Plan's accounting policies. The adoption of the Codification had no impact on the Plan's financial position or results of operations.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

For comparability, certain amounts from the prior year have been reclassified to conform with the current year's presentation.

3. PLAN TERMINATION

While the Employer has not expressed any intent to terminate the Plan, it is free to do so at any time. Upon termination of the Plan by the Employer, the accounts of the affected participants shall become fully vested, and assets remaining in the Plan shall be distributed to participants in proportion to their respective account balances.

4. INVESTMENT INFORMATION AND FINANCIAL SCHEDULES

The following is a summary of the unaudited investment information regarding the Plan, included in the Plan's financial statements, that was prepared by MG Trust Company, LLC, the Trustee of the Plan, and furnished to the Plan administrator (the Plan administrator has obtained certification from the Trustee that such information is complete and accurate). Investments that represent five percent (5%) or more of the Plan's net assets as of December 31, 2009 are separately identified.

	FAIR VALUE	
	DECEMBER 31,	
	2009	2008
<u>Investments</u>		
Common/collective trust:		
MetLife Managed GIC Fund	\$ 354,140 *	\$ 274,868 *
Registered investment companies:		
PIMCO Total Return Fund	139,490	122,383
American Balanced Fund	289,234	211,225
American Growth Fund	114,319	74,390
American Europacific Growth Fund	207,545	137,905
Perkins Mid Cap Value Fund	121,715	85,591
Other investments	320,629	238,777
	<u>\$ 1,547,072</u>	<u>\$ 1,145,139</u>

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

4. INVESTMENT INFORMATION AND FINANCIAL SCHEDULES (Continued)

Net investment gain from common/collective trust	<u>\$ 16,072</u>	<u>\$ 12,931</u>
Net investment gain (loss) from registered investment companies	<u>\$ 213,718</u>	<u>\$ (429,001)</u>
Dividends from registered investment companies	<u>\$ 26,356</u>	<u>\$ 53,073</u>

* This amount represents contract value for this investment.

5. FAIR VALUE MEASUREMENTS

Except as described in the following paragraph, the Plan adopted FASB ASC 820 (formerly FAS No. 157), which defines fair value as the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. This accounting standard is intended to establish a common definition of fair value that is more consistent and comparable.

In February 2008, the FASB deferred the effective date of this accounting standard for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The Plan has no nonfinancial assets or liabilities.

A three-level fair value hierarchy has been established that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The three levels of inputs used to measure fair value are described as follows:

- Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included within Level 1. Inputs that are principally derived from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement of the assets or liabilities. These include certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies the Plan used for assets measured at fair value. Adoption of this accounting standard had no effect on the Plan's net assets available for benefits.

Registered investment companies (mutual funds): Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common/collective trust (stable value fund): Valued at market values of the underlying investments based on information reported by the investment advisor using the audited financial statements of the common/collective trust at year end.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value.

	DECEMBER 31, 2009			
	Level 1	Level 2	Level 3	Total
Blend funds	\$ 467,647	\$ 0	\$ 0	\$ 467,647
Bond funds	223,061	0	0	223,061
Growth funds	29,9432	0	0	29,942
Value funds	472,282	0	0	472,282
Stable value fund	0	341,393	0	341,393
Total assets at fair value	<u>\$ 1,192,932</u>	<u>\$ 341,393</u>	<u>\$ 0</u>	<u>\$ 1,534,325</u>

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS (Continued)

	DECEMBER 31, 2008			Total
	Level 1	Level 2	Level 3	
Blend funds	\$ 319,154	\$ 0	\$ 0	\$ 319,154
Bond funds	185,621	0	0	185,621
Growth funds	18,681	0	0	18,681
Value funds	346,815	0	0	346,815
Stable value fund	0	236,820	0	236,820
Total assets at fair value	<u>\$ 870,271</u>	<u>\$ 236,820</u>	<u>\$ 0</u>	<u>\$ 1,107,091</u>

6. TAX STATUS

The Employer adopted the Pension Corporation of America of Cincinnati Non-Standardized 401(k) Profit Sharing Plan and Trust and need not apply for a separate determination letter, but instead may rely on the opinion letter issued by the Internal Revenue Service (dated January 22, 1993) stating that employers who adopt the Plan will be considered to have a plan qualified under Code section 401(a). Accordingly, the Plan's net investment income is exempt from tax.

7. DELINQUENT PARTICIPANT CONTRIBUTIONS

During the Plan year ended December 31, 2009 and 2008, participant deferrals in the amount of \$1,746 and \$11 were not remitted to the Plan by the Employer within the appropriate time period prescribed by law. These transactions constitute prohibited transactions as defined by ERISA. The Employer became aware of the occurrence and has corrected the situation as of December 31, 2009.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits according to the financial statements to Schedule H of Form 5500:

	DECEMBER 31,	
	2009	2008
Net assets available for benefits according to the financial statements	\$ 1,707,515	\$ 1,296,118
Adjustment from contract value to fair value for interest in common/collective trust relating to fully benefit-responsive investment contracts	<u>(12,747)</u>	<u>(38,048)</u>
Net assets available for benefits according to Schedule H of Form 5500	<u>\$ 1,694,768</u>	<u>\$ 1,258,070</u>

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

8. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500
(Continued)

The following is a reconciliation of investment income according to the financial statements Schedule H of Form 5500:

	FOR THE YEARS ENDED DECEMBER 31,	
	2009	2008
Net investment gain from common/collective trust according to the financial statements	\$ 16,072	\$ 12,931
Adjustment from contract value to fair value for interest in common/collective trust relating to fully benefit- responsive investment contracts at end of year	(12,747)	(38,048)
Adjustment from contract value to fair value for interest in common/collective trust relating to fully benefit- responsive investment contracts at beginning of year	38,048	0
Net investment gain (loss) from common/collective trust according to Schedule H of Form 5500	<u>\$ 41,373</u>	<u>\$ (25,117)</u>

9. SUBSEQUENT EVENTS

The Plan's management evaluated the activity of the Plan through October 11, 2010 (the date the financial statements were available to be issued) and, except as described below, concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The Plan was amended and restated in its entirety effective January 1, 2010. The amendment and restatement is intended to incorporate all necessary changes in law to meet the requirements of the Internal Revenue Code of 1986, as amended and ERISA. As a result, certain provisions may be retroactively effective.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

E.I.N. 61-0475966
PLAN #011

DECEMBER 31, 2009

(a)	(b) IDENTITY OF ISSUER, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	MetLife Managed GIC Fund	Common/collective trust	0 ^(y)	\$ 341,393
	PIMCO Real Return Fund	Registered investment company	0 ^(y)	83,571
	PIMCO Total Return Fund	Registered investment company	0 ^(y)	139,490
	American Balanced Fund	Registered investment company	0 ^(y)	289,234
	American Washington Mutual Fund	Registered investment company	0 ^(y)	61,333
	Investment Company of America Fund	Registered investment company	0 ^(y)	12,956
	Dreyfus S&P 500 Index Fund	Registered investment company	0 ^(y)	76,120
	American Growth Fund	Registered investment company	0 ^(y)	114,319
	Rainer Small/Mid Cap Equity Portfolio	Registered investment company	0 ^(y)	16,984
	Keeley Small Cap Value Fund	Registered investment company	0 ^(y)	56,407
	American Europacific Growth Fund	Registered investment company	0 ^(y)	207,545
	First American Small Cap Select Fund	Registered investment company	0 ^(y)	12,958
	Perkins Mid Cap Value Fund	Registered investment company	0 ^(y)	121,715
	BlackRock LifePath 2030 Investor Fund	Registered investment company	0 ^(y)	300
				<u>\$ 1,534,325</u>

(y) Information not required to be disclosed on participant-directed investments.

DURO BAG MFG. CO.
NORTHERN KENTUCKY HOURLY EMPLOYEES
RETIREMENT SAVINGS PLAN

SCHEDULE H, LINE 4a - SCHEDULE OF DELIQUENT
PARTICIPANT CONTRIBUTIONS

E.I.N. 61-0475966
PLAN # 011

DECEMBER 31, 2009

PARTICIPANT CONTRIBUTIONS TRANSFERRED LATE TO PLAN DURING YEAR	NON-EXEMPT TRANSACTIONS			TOTAL TRANSACTIONS THAT CONSTITUTE NON-EXEMPT PROHIBITED TRANSACTIONS
	NOT CORRECTED	CORRECTED	PENDING CORRECTION	
June 2008 withholdings		\$ 11		\$ 11
September 2009 withholdings		1,746		1,746
TOTAL		<u>\$ 1,757</u>		<u>\$ 1,757</u>

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name DURO BAG MFG. CO. NO KY HOURLY EES RET SAVINGS PLAN

EIN: 61-0475966

Plan Sponsor's Name	DURO BAG MANUFACTURING COMPANY
----------------------------	--------------------------------

PN: 011

[illegible]

Attachment to 2009 Form 5500
Schedule H, line 4a - Schedule of Delinquent Participant Contributions

Plan Name DURO BAG MFG. CO. NO KY HOURLY EES RET SAVINGS PLAN **EIN:** 61-0475966
Plan Sponsor's Name DURO BAG MANUFACTURING COMPANY **PN:** 011

Total that Constitute Nonexempt Prohibited Transactions				
Participant Contributions Transferred Late to Plan	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☐	0	1,757	0	0