

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1972</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1972</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1972</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>KARL SCHMIDT UNISIA, INC.</u> <u>1731 INDUSTRIAL PARKWAY</u> <u>MARINETTE, WI 54143</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>39-1681963</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>715-732-0181</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>39-1681963</u>	2c Sponsor's telephone number <u>715-732-0181</u>	2d Business code (see instructions) <u>336300</u>	
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2c Sponsor's telephone number <u>715-732-0181</u>					
2d Business code (see instructions) <u>336300</u>					

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.	10/14/2010	RICHARD A. POSZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	RICHARD A. POSZ
	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

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KARL SCHMIDT UNISIA, INC. 1731 INDUSTRIAL PARKWAY MARINETTE, WI 54143	3b Administrator's EIN 39-1681963 3c Administrator's telephone number 715-732-0181
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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	2051
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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	13
b Retired or separated participants receiving benefits.....	6b	1167
c Other retired or separated participants entitled to future benefits.....	6c	579
d Subtotal. Add lines 6a , 6b , and 6c	6d	1759
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	244
f Total. Add lines 6d and 6e	6f	2003
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

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:
 1B 1G 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

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

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

A Name of plan <u>KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KARL SCHMIDT UNISIA, INC.</u>	D Employer Identification Number (EIN) <u>39-1681963</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>58827340</u>
b	Actuarial value 2b <u>64710074</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>1390</u> <u>67043002</u>
b	For terminated vested participants 3b <u>597</u> <u>7222903</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>820458</u>
(2)	Vested benefits 3c(2) <u>2877199</u>
(3)	Total active 3c(3) <u>64</u> <u>3697657</u>
d	Total 3d <u>2051</u> <u>77963562</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>8.28</u> %
6	Target normal cost 6 <u>336389</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>10/13/2010</u>
Signature of actuary	Date
<u>JAMES D. KERSHNER, F.S.A., E.A.</u>	<u>08-03526</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>313-259-5500</u>
Firm name	Telephone number (including area code)
<u>600 RENAISSANCE CENTER, SUITE 1800</u> <u>DETROIT, MI 48243-1815</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1631334	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1321564	
9	Amount remaining (Item 7 minus item 8).....	309770	0
10	Interest on item 9 using prior year's actual return of <u>-22.44</u> %	-69512	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		1309
b	Interest on (a) using prior year's effective rate of <u>6.00</u> %		79
c	Total available at beginning of current plan year to add to prefunding balance		1388
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	240258	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	82.69 %
15	Adjusted funding target attainment percentage.....	15	82.69 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	88.68 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2009	305761				
07/14/2009	550118				
10/14/2009	550118				
01/15/2010	550118				
09/13/2010	4303985				
			Totals ►	18(b)	6260100
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 5609609
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?		☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	336389
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	13493836	2625497
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	2961886
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	240082	0
36 Additional cash requirement (item 34 minus item 35).....	36	2721804
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	5609609
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2887805
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN				B Three-digit plan number (PN) ▶ 002	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 KARL SCHMIDT UNISIA, INC.				D Employer Identification Number (EIN) 39-1681963	
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: KARL SCHMDIT UNISIA, INC MASTER TRU					
b Name of sponsor of entity listed in (a): KARL SCHMIDT UNISIA, INC					
c EIN-PN 39-1681963-003		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58330227	
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)	
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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
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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 KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 KARL SCHMIDT UNISIA, INC.	D Employer Identification Number (EIN) 39-1681963	

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)		4854103
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	58827340	58330227
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	58827340	63184330

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	58827340	63184330
---	-----------	----------	----------

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)	6260100	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6260100

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

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

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

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

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		7465954
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		13726054

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9057293	
(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)		9057293
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	311771	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		311771
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		9369064

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4356990
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: **BAKER TILLY VIRCHOW KRAUSE**

(2) EIN: **39-0859910**

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		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?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
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.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KARL SCHMIDT UNISIA, INC.</u>	D Employer Identification Number (EIN) <u>39-1681963</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): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

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

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

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: 58% Investment-Grade Debt: 33% High-Yield Debt: 0% Real Estate: 4% Other: 5%

- 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):

**KARL SCHMIDT UNISIA, INC.
RETIREMENT PLAN**

Marinette, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

December 31, 2009 and 2008

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

TABLE OF CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Statement of Accumulated Plan Benefits	4
Statement of Changes in Accumulated Plan Benefits	5
Notes to Financial Statements	6 - 12



BAKER TILLY

Baker Tilly Virchow Krause, LLP
2201 E Enterprise Ave, Ste 100
PO Box 2459
Appleton, WI 54912-2459
tel 920 733 7385
fax 920 733 6022
bakertilly.com

INDEPENDENT AUDITORS' REPORT

To the Plan Sponsor and Participants
Karl Schmidt Unisia, Inc. Retirement Plan
Marinette, Wisconsin

We were engaged to audit the accompanying statements of net assets available for benefits of the Karl Schmidt Unisia, Inc. Retirement Plan (the "plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of January 1, 2009 and the statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Wachovia Bank, N.A., the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2009 and 2008, and for the years then ended, 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 taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 11, 2010

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

ASSETS		
	<u>2009</u>	<u>2008</u>
Investment in Master Trust	\$ 58,330,227	\$ 58,827,340
Receivables		
Company contribution	<u>4,854,103</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 63,184,330</u>	<u>\$ 58,827,340</u>

See accompanying notes to financial statements.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS		
Additions to net assets attributed to:		
Investment income		
Appreciation in fair value of investments (including interest and dividend income)	\$ 7,465,954	\$ -
Company contributions	<u>6,260,100</u>	<u>901,184</u>
Total Additions	<u>13,726,054</u>	<u>901,184</u>
DEDUCTIONS		
Deductions from net assets attributed to:		
Depreciation in fair value of investments (net of interest and dividend income)	-	18,286,437
Benefits paid to participants	9,057,293	9,429,185
Administrative expenses	<u>311,771</u>	<u>142,692</u>
Total Deductions	<u>9,369,064</u>	<u>27,858,314</u>
Net Change	4,356,990	(26,957,130)
NET ASSETS AVAILABLE FOR BENEFITS - Beginning of Year	<u>58,827,340</u>	<u>85,784,470</u>
NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR	<u>\$ 63,184,330</u>	<u>\$ 58,827,340</u>

See accompanying notes to financial statements.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

STATEMENT OF ACCUMULATED PLAN BENEFITS January 1, 2009

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Vested benefits:

Participants currently receiving benefits	\$ 75,282,732
Other payments	<u>12,650,092</u>
Total Vested Benefits	87,932,824

Nonvested benefits	<u>905,149</u>
--------------------	----------------

TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

\$ 88,837,973

See accompanying notes to financial statements.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
Year Ended January 1, 2009

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS -

Beginning of year	<u>\$ 93,348,351</u>
Change during the year attributable to:	
Benefits accumulated	547,193
Benefits paid	(9,429,185)
Increase for interest due to the decrease in the discount period	5,450,976
Change in actuarial assumptions	<u>(1,079,362)</u>
Net Change	<u>(4,510,378)</u>

**ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN
BENEFITS - END OF YEAR**

\$ 88,837,973

See accompanying notes to financial statements.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 1 - Description of the Plan

The following description of the Karl Schmidt Unisia, Inc. Retirement Plan (the "plan") provides only general information. Participants should refer to the plan document for a more complete description of the plan's provisions.

General

The plan is a non-contributory defined benefit pension plan which was established for the benefit of substantially all non-collective bargaining unit employees of Karl Schmidt Unisia, Zollner Division, Inc. (the "company"). The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Effective July 1, 2002, the plan was frozen to entry by new participants. As such, no employees whose original date of hire with the company is on or after July 1, 2002, shall be eligible to participate in the plan until the plan is amended to remove the freeze.

Effective December 31, 2003, the former Zollner Division Salaried Retirement Plan was also frozen to accruing future benefits.

Pension Benefits

Participants in the former Zollner Salaried Plan are entitled to a monthly pension upon retirement if the employee completes one year and 1,000 hours of service with the company. Former employees in the Zollner Hourly Plan covered by a collective bargaining unit are entitled to a monthly pension upon retirement if the employee completes one year and 1,000 hours of service with the company. There are three types of retirement under the former Zollner Hourly and Zollner Salary plans: normal, late, and early retirement. Early retirement benefits are reduced, unless the participant has completed at least 30 years of service and, effective July 1, 2002, attained age 58. Reduced early retirement benefits are available to former KSG Pistons Salaried Employees Replacement Plan ("KSG Plan") participants upon attainment of age 55 with 10 years of service.

Employees may elect to receive their pension benefits in the form of a single life annuity, qualified joint and survivor annuity, certain and life annuity or contingent annuitant. Pension benefits are based on average covered earnings and years of benefit service, and are fully vested after 5 years of service. Participants who were former participants of the KSG Plan became fully vested after one year of service.

Death and Disability Benefits

If an active employee dies pre-retirement and has a vested pension from the plan on the date of death, 50% of the normal death benefit is paid to the surviving spouse in the form of a lifetime monthly pension beginning on the expected retirement date of the deceased. If an employee dies after retirement, a death benefit equal to \$3,000 will be paid upon death. This is paid in addition to any retirement benefit that was being paid at the date of death.

Active employees who become disabled while working for the company but before the normal retirement date, have 10 years of vesting service and qualify for the Short-term Disability Program (as defined) will be eligible for disability retirement benefits. Benefits will begin on the first day of the month after the benefits from Short-term Disability Program end, and are paid until the employee is no longer disabled, elects to start early retirement benefits, or reached the normal retirement date.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 1 - Description of the Plan (cont.)

Administrative Expenses

The company pays a portion of the plan's administrative expenses. The majority of the administrative expenses are paid by the plan. Some of these fees were netted against appreciation (depreciation) in investments in the financial statements.

Termination of Plan

Although it has not expressed any intent to do so, the company has the right under the plan to terminate the plan at any time subject to the provisions of ERISA. In the event of plan termination, the net assets of the plan will be distributed to the participants in an order of priority determined in accordance with ERISA and its applicable applications.

Certain benefits under the plan are insured by the Pension Benefit Guaranty Corporation (the "PBGC") if the plan terminates. Generally, the PBGC guarantees most vested, normal-age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the plan are guaranteed at the level in effect on the date of the plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive the benefits should the plan be terminated at some future time will depend on the sufficiency, at that time, of the plan's net assets to provide these benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

Any value remaining after administration expenses of the Plan and Trust shall be allocated for purposes of paying monthly retirement income, disability payments and death benefits in the order of precedence indicated and in the amounts indicated in Section 4044 of the Employee Retirement Income Security Act of 1974. In the event that the Trust Fund assets on or after the date of termination are sufficient to fund all monthly retirement income, disability benefits and death benefits, the remainder of the assets shall be used to fund supplemental retirement benefits for all members retired or eligible to retire on a supplement retirement date, without reference to the order in which they first qualified for such benefits. Any funds remaining after all the benefits payments are made shall be returned to the employer after satisfaction of all the expenses associated with the termination of the Plan.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Investment Valuation and Income Recognition

The plan's allocated share of the Karl Schmidt Unisia Master Trust's ("Master Trust") net assets is reflected in the accompanying statements of net assets available for benefits. The fair value of the plan's interest in the Master Trust is based on the fair value of assets held in the trust, plus actual contributions and allocated investment income, less actual distributions. Investment income and administrative expenses are allocated to the plan based on the plan's pro rata share of each of the underlying assets of the Master Trust on a monthly basis. The plan presents in the accompanying statements of changes in net assets available for benefits its interest in the net investment income or loss of the Master Trust, which consists of the realized gains or losses, unrealized appreciation or depreciation, interest, and dividends of the Master Trust's investments.

Investments of the Master Trust are carried at fair value, which is based on quoted market prices. Investment transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Payment of Benefits

Benefits are recorded when paid.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (i) retired or terminated employees or their beneficiaries (ii) present employees or their beneficiaries, and (iii) beneficiaries of employees who have died. Benefits under the plan are based on employee's years of credited benefit service. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the plan's consulting actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. Actuarial valuations are completed as of the beginning of the plan year. The significant actuarial assumptions used in the plan's January 1, 2009 valuation were:

Mortality rate	RP2000 10-year projected, combined, sex-distinct, blended 40% blue collar, 60% white collar
Normal Retirement Age	65
Discount rate	6.3%
Withdrawal rate	Table T-5 from Pension Actuaries' Handbook.
Retirement rate	Varies from 0% at age 50 to 100% at age 65 for Salaried and 5% at age 50 to 100% at age 65 for Hourly
Percent Married - males	85%
Percent Married - females	65%

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Actuarial Present Value of Accumulated Plan Benefits (cont.)

The foregoing actuarial assumptions are based on the presumption that the plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated benefits is reported based on certain assumptions pertaining to interest rates and employee demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the value of accumulated plan benefits.

Funding Policy

No contributions are required or permitted from participants. The Company's contributions are the actuarially computed amounts, using the projected unit cost method, necessary to meet ERISA minimum funding requirements. The Company intends to continue the plan and continue contributions in such amounts as are necessary to provide for all employees' benefits upon retirement. Minimum contribution requirements have been met for the years ended December 31, 2009 and 2008.

NOTE 3 - Information Prepared and Certified by Trustee - Unaudited

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by Wachovia Bank, N.A., the trustee of the plan:

- All plan investments as shown in the statements of net assets available for benefits.
- Investment income (net appreciation in fair value of investments and interest and dividends) as shown in the statement of changes in net assets available for benefits.

NOTE 4 - Tax Status

The Internal Revenue Service ruled in a letter dated February 13, 2004 that the plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the plan is not subject to tax under present income tax law. The plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator is not aware of any events that have occurred that might adversely affect the plan's qualified status.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 5 - Significant Investment in Master Trust - Unaudited

All of the assets of the plan are in the Karl Schmidt Unisia, Inc. Master Trust ("Trust"), which was established for the investment of assets of the plan and other Karl Schmidt Unisia, Inc. sponsored defined benefit pension plans. The Trust currently holds the assets of the plan and the Pension Plan for Hourly Bargaining Unit Employees of KS Bearings, Inc.

The plan's allocated share of the Trust's net assets and investment activities is based upon the total of each accounts share of the Trust. The percentage of the plan's assets to the total assets of the Trust is approximately 94.7% and 94.8% as of December 31, 2009 and 2008, respectively.

The following table presents the fair value of investments held by the Master Trust as of December 31, 2009 and 2008. Investments which represent 5% or more of the Master Trust's net assets are separately identified with an "***".

	2009		2008	
Investments				
S&P 500 Index Large Capitalization	\$ 11,477,718	*	\$ 10,082,441	*
Furman Selz Fixed Income	20,144,043	*	23,164,909	*
Wells Large Growth	-		4,368,094	*
Neuberger Large Growth	4,738,417	*	-	
Goldman Sachs Large Value	4,214,633	*	4,264,186	*
Earnest Small Value	2,243,693		2,260,638	
Short Term Cash & Real Estate	2,868,097		3,947,701	*
Calamos Mid-Growth	4,714,124	*	3,412,479	*
Graham Man Futures	2,212,982		1,926,790	
DJ AIG Commodities	972,532		1,037,138	
McKinley	4,116,945	*	3,656,101	*
J Baer International Equity	-		3,836,450	*
Artio International Equity	3,917,244	*	-	
Cash	4		8,725	
Total Investments	<u>\$ 61,620,432</u>		<u>\$ 61,965,652</u>	

During the years ended December 31, 2009 and 2008, the Trust's investments (including gains and losses on investments bought, sold and held during the year) appreciated/(depreciated) by \$7,889,160 and \$(19,239,305), respectively, all related to mutual fund investments. The depreciated value is net of interest and dividend income, which Wachovia Bank, N.A. does not report separately.

Investments, in general, are subject to various risks, including credit, interest, and overall market volatility risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the financial statements.

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 6 - Fair Value of Financial Instruments

Effective January 1, 2008, the plan adopted recently enacted accounting standards which provide a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis. There was no effect on net assets available for benefits on January 1, 2008 upon adopting these new rules.

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. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities. Level 1 includes mutual funds.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data. Level 3 includes real estate investment trust funds.

The plan sponsor is responsible for the determination of fair value. Accordingly, they perform periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the plan sponsor has not historically adjusted the prices obtained from the pricing services.

The table below presents the balances of the Master Trust's assets and liabilities measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2009			
	Total	Level 1	Level 2	Level 3
Investments	\$ 61,620,432	\$ 58,752,335	\$ -	\$ 2,868,097

	December 31, 2008			
	Total	Level 1	Level 2	Level 3
Investments	\$ 61,965,651	\$ 58,017,950	\$ -	\$ 3,947,701

KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2009 and 2008

NOTE 6 - Fair Value of Financial Instruments (cont.)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	<u>2009</u>	<u>2008</u>
Balances, beginning of year	\$ 3,947,701	\$ 4,879,884
Net gains (losses) (realized and unrealized) included in change in net assets available for benefits	(1,055,310)	79,503
Issuances and (settlements), net	<u>(24,294)</u>	<u>(1,011,686)</u>
Balances, end of year	<u>\$ 2,868,097</u>	<u>\$ 3,947,701</u>
Net unrealized losses included in net income relating to assets still held at end of year	<u>\$ (1,139,200)</u>	<u>\$ (10,492)</u>

The level 3 investments consist of a real estate investment trust fund. The valuations of real estate investments in the fund are reviewed on a quarterly basis. An independent appraisal of the underlying real estate for each investment is performed at least annually and includes a complete property inspection and market analysis. In the interim quarters, the prior cash flow assumptions for each real estate investment are updated for factual changes and evaluated for changes in market conditions. If there are indications of a material change in the value of a real estate investment, the valuation is then updated by the independent appraiser under a restricted use appraisal report. The Advisor may determine that it is appropriate to cause any investment to receive an independent appraisal rather than have the Appraisal Review Firm make a materiality determination. As such, as of December 31, 2009, all of the Fund's real estate investments were independently appraised. All appraisals comply with the currently published Uniform Standards of Professional Appraisal Practice ("USPAP"), as promulgated by the Appraisal Foundation.

NOTE 7 - Party-In-Interest Transactions

Certain plan investments are shares of mutual funds managed by the trustee, as defined by the plan, and therefore, these transactions qualify as party-in-interest transactions. These transactions are not, however, considered prohibited transactions under 29 CFR 408(b) of the ERISA regulations.

NOTE 8 - Subsequent Events

The plan has evaluated subsequent events through October 11, 2010, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements.

Schedule SB, line 19 – Discounted employer contributions

Date	Employer Contribution	Plan Year	Effective Interest Rate	Interest- adjusted Contribution
4/14/2009	\$ 305,761	2009	8.28%	\$ 298,973
7/14/2009	\$ 550,118	2009	8.28%	\$ 527,340
10/14/2009	\$ 550,118	2009	8.28%	\$ 516,871
1/15/2010	\$ 550,118	2009	8.28%	\$ 506,499
9/13/2010	\$ 4,303,985	2009	8.28%	\$ 3,759,926
Total	\$ 6,260,100	2009	8.28%	\$ 5,609,609

Schedule SB, line 22 – Description of weighted average retirement age

Age (a)	Number of Employees (b)	Probability of Retirement (c)	Weighted Average of Number Retiring (d) = (b) * (c)	(a) * (d)
58	1,000.0	20%	200.0	11,600.0
59	800.0	10%	80.0	4,720.0
60	720.0	10%	72.0	4,320.0
61	648.0	10%	64.8	3,952.8
62	583.2	45%	262.4	16,268.8
63	320.8	20%	64.2	4,044.6
64	256.6	20%	51.3	3,283.2
65	205.3	100%	205.3	13,344.5
Total				61,533.9
Weighted Average				61.53

Schedule SB, Part V – Statement of actuarial assumptions/methods

A. Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

B. Maximum deductible contribution method

Maximum funding calculations include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future benefit increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected benefit that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.

The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

C. Asset valuation method

We used financial data submitted by the trustee as of January 1, 2009 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method elected by the plan sponsor is the annual average of the adjusted market value over the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

D. Participation methods

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on participants as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Compensation history:** Salaried plan benefits are frozen. Accrued benefits have been calculated and are used in the valuation.
- **Estimated benefits:** For terminated and retired participants we have reviewed the benefits provided to us and have no reason to doubt their substantial accuracy.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* Current active participants over normal age are valued including the late retirement actuarial increase.
 - *Deferred vested participants:* Current deferred vested participants over normal age are valued including the late retirement actuarial increase.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections

Funding interest rate

- Full yield curve with 2 month look-back..

Valuation of lump sums based on Section 417(e) assumptions:

- Lump sums were not valued.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

E. Actuarial assumptions

Discount rate elections

- Funding Full yield curve with two month lookback
-

Mortality elections

- Healthy participants 2009 PPA separate static annuitant and nonannuitant mortality tables
 - Pre-1995 disabilities 2009 PPA separate static annuitant and nonannuitant mortality tables
 - Post-1994 disabilities 2009 PPA separate static annuitant and nonannuitant mortality tables
-

417(e) lump sums Lump sums were not valued

Non-417(e) lump sums Lump sums were not valued

Other economic assumptions

- Salary increases N/A
 - Flat-dollar benefit increases None assumed
 - Social Security wage base N/A
 - Inflation N/A
 - Expenses \$312,000 for 2009, \$0 for 2008
-

Demographic assumptions

Withdrawal	Sample rates given below:	
	Attained age	Percentage
	25	18.0%
	35	8.7%
	45	6.1%
	55	4.4%
	65 and above	2.5%

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Disability incidence	Table B: Disabilities Per 1,000 Participants					
	Age	Male	Female	Age	Male	Female
	20	0.26	0.11	45	1.38	1.20
	25	0.31	0.19	50	2.30	1.97
	30	0.41	0.35	55	4.07	3.29
	35	0.60	0.55	60	5.80	3.48
	40	0.68	0.79	65	0.00	0.00

Retirement age (Salaried)	Percentage	
	Male	Female
Under 55	0%	0%
55	0%	0%
56	0%	0%
57	0%	0%
58	20%	20%
59	10%	10%
60	10%	10%
61	10%	10%
62	45%	45%
63	20%	20%
64	20%	20%
65 and above	100%	100%

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Disability incidence

Sample rates given below:

Attained age	Percentage	
	Male	Female
25	0.03%	0.02%
35	0.06%	0.05%
45	0.14%	0.12%
55	0.41%	0.33%
65 and above	0.00%	0.00%

Retirement age (Salaried)

Attained age	Percentage	
	Male	Female
Under 55	0%	0%
55	0%	0%
56	0%	0%
57	0%	0%
58	20%	20%
59	10%	10%
60	10%	10%
61	10%	10%
62	45%	45%
63	20%	20%
64	20%	20%
65 and above	100%	100%

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Retirement age (Hourly)		Participants Having Fewer than 20 Years at July 1, 2002			Participants Having at Least 20 Years at July 1, 2002		
	Age	<32 years	32-34 years	35 or more years	<32 years	32-34 years	35 or more years
	50	0%	0%	0%	5%	5%	5%
	51	0%	0%	0%	3%	3%	3%
	52	0%	0%	0%	3%	3%	3%
	53	0%	0%	0%	3%	3%	3%
	54	0%	0%	0%	3%	3%	3%
	55	0%	0%	0%	3%	3%	3%
	56	0%	0%	20%	3%	3%	20%
	57	0%	15%	10%	3%	15%	10%
	58	15%	6%	10%	15%	6%	10%
	59	6%	6%	10%	6%	6%	10%
	60	6%	6%	10%	6%	6%	10%
	61	6%	6%	10%	6%	6%	10%
	62	40%	40%	45%	40%	40%	45%
	63	20%	20%	20%	20%	20%	20%
	64	20%	20%	20%	20%	20%	20%
	65	75%	75%	100%	75%	75%	100%
	66	75%	75%	–	75%	75%	–
	67	75%	75%	–	75%	75%	–
	68	100%	100%	–	100%	100%	–
Benefit commencement age for							
▪	Future vested deferred	62					
▪	Current vested deferred	62					
Spouse assumptions		<u>Male participants</u>			<u>Female participants</u>		
▪	Percentage married	85%			65%		
▪	Spouse age difference	3 years younger			3 years older		

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>67% J&S</u>
▪ Active retirements	0%	50%	50%
▪ Future vested deferred	0%	50%	50%
▪ Future disabilities	0%	50%	50%
▪ Future deaths	0%	50%	50%
▪ Current vested deferred	0%	50%	50%
Changes since prior valuation	<p>The interest discount was changed from the 3-tiered rates for January 2008 of 5.31%, 5.92% and 6.43% to the full yield curve for November 2008.</p> <p>The mortality table was updated from the 2008 static PPA separate annuitant/nonannuitant tables to the 2009 PPA separate static annuitant/nonannuitant tables.</p> <p>The withdrawal rate assumption has been changed to better reflect the experience of the Plan.</p> <p>Effective January 1, 2009, a provision for \$312,000 of expected expenses had been made in the target normal cost. This assumption was added to comply with the Pension Protection Act of 2006.</p>		

Schedule SB, Part V – Summary of plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Salaried Plan

<i>Effective date</i>	September 1, 1944; restated January 1, 2001
<i>Plan year</i>	Calendar year.
<i>Eligibility</i>	Salaried or office employees including leased employees whose original date of hire was before July 1, 2002.
<i>Participation</i>	First anniversary date of employment provided employee has worked at least 1,000 hours during an employment year.
<i>Normal retirement</i>	
<i>Eligibility:</i>	Age 65 and 5 years of participation.
<i>Benefit:</i>	The greater of (a), (b) and (c): (a) One percent of average monthly earning multiplied by credited service plus .5% of average monthly earnings in excess of covered compensation multiplied by credited service (maximum 35 years). (b) The benefit determined under the Zollner Pension Plan; currently \$21 per month per year of credited service. (c) 2.33% of average monthly earnings plus .5% of average monthly earnings in excess of covered compensation, multiplied by credited service (maximum 15 years) determined as of December 31, 1993.
<i>Early retirement</i>	
<i>Eligibility:</i>	Age 60 and 10 years of vesting service or 30 years of credited service.

Schedule SB, Part V – Summary of plan provisions *(continued)*

<i>Benefit:</i>	<p>Normal retirement benefit reduced by .6% for each month of early commencement from age 60 to 62.</p> <p>For a participant retiring at or after age 58 with 30 years of vesting service and credited service, he receives an early retirement supplement in the amount necessary to increase the total early retirement benefit to \$1,500/month. The supplement is paid until age 62.</p> <p>For a participant retiring before 58 with 30 years of vesting service and credited service, his benefit accrued at June 30, 2002 is reduced as described above. The remainder of his benefit is reduced actuarially below age 65.</p> <p>On November 10, 2003 Salaried Plan participants had their accrued benefits frozen at December 31, 2003.</p>
<hr/>	
<i>Disability retirement</i>	
<i>Eligibility:</i>	10 years of vesting service and total and permanent disability.
<i>Benefit:</i>	The greater of \$150/month or the benefit calculated under the terms of Zollner Pension Plan. At age of 60, the participant may elect to receive Early Retirement Benefits.
<hr/>	
<i>Deferred vested retirement</i>	
<i>Eligibility:</i>	5 years of vesting service.
<i>Benefit:</i>	The normal retirement benefit accrued to date payable at age 65. Participants with 10 years of vesting service may retire at age 60 with benefits actuarially reduced from age 65.
<hr/>	
<i>Preretirement death benefit</i>	
<i>Eligibility:</i>	5 years of vesting service.
<i>Benefit:</i>	50% of the amount the participant would have received had he terminated employment on the day before he died, survived to his earliest retirement age, retired with an immediate joint and 50% spouse's annuity at that time, and died on that date. The benefit is payable at that date.
<hr/>	
<i>Postretirement death benefit</i>	

Schedule SB, Part V – Summary of plan provisions *(continued)*

<i>Eligibility:</i>	Eligibility for normal, early, or disability retirement
<i>Benefit:</i>	\$3,000.
<hr/>	
<i>Normal annuity form</i>	
<i>Single participants:</i>	Life annuity.
<i>Married participants:</i>	50% joint and survivor annuity which is actuarially equivalent to life annuity.
<hr/>	
<i>Optional forms of annuity</i>	<ul style="list-style-type: none"> ▪ Life annuity. ▪ 5 years certain and life. ▪ 10 years certain and life. ▪ 15 years certain and life. ▪ 20 years certain and life. ▪ 50% joint and survivor. ▪ 66⅔% joint and survivor. ▪ 75% joint and survivor. ▪ 100% joint and survivor.
<hr/>	
<i>Vesting service</i>	A year for each 12 month period between anniversaries of employment during which a participant is credited with 1,000 hours.
<hr/>	
<i>Credited service</i>	Service credited as of January 1, 1976 plus one year for each following plan year in which the participant is credited with at least 1,440 hours (fractional years are credited if less than 1,440 hours).
<hr/>	
<i>Earnings</i>	The regular annual basic rate of earnings determined at December 31 of the preceding plan year. Effective January 1, 1985, the annual earnings are limited to \$84,000.
<hr/>	
<i>Average monthly earnings</i>	The sum of the five consecutive earnings, which yield the highest total divided by 60.
<hr/>	

Schedule SB, Part V – Summary of plan provisions *(continued)*

The following provisions relate to KSG Pistons, Inc. Salaried Employees Replacement Plan participants for service before January 1, 2001:

<i>Eligibility</i>	All salaried employees of Wickes Corporation at the South Haven, Michigan location on September 30, 1990, who were participants in the Wickes Manufacturing Company Employees' Retirement Plan and/or the Wickes Manufacturing After Market Distribution Group Gold Plan on September 30, 1990 and commenced employment with Karl Schmidt Unisia – Bohn Division on October 1, 1990.
<i>Normal retirement</i>	
<i>Benefit:</i>	1% of average compensation plus .5% of average compensation in excess of covered compensation, multiplied by benefit service (max 30 years), less the floor plan offset. The minimum monthly benefit is \$15.00 multiplied by benefit service (max 30 years).
<i>Early retirement</i>	
<i>Eligibility:</i>	Age 55 and 10 years of vesting service.
<i>Benefit:</i>	Normal retirement benefit reduced by .35% for each month of early commencement from age 65.
<i>Disability retirement</i>	
<i>Eligibility:</i>	Total and permanent disability.
<i>Benefit:</i>	Participant continues to accrue benefits until participant elects to commence benefits after early retirement date.
<i>Preretirement death benefit</i>	
<i>Benefit:</i>	100% of the amount the participant would have received had he terminated employment on the day before he died, survived to his earliest retirement age, retired with an immediate joint and 100% spouse's annuity at that time, and died on that date. The benefit is payable at that date.
<i>Normal annuity form</i>	
<i>Married participants:</i>	100% joint and survivor annuity which is actuarially equivalent to life annuity.
<i>Optional forms of annuity</i>	<ul style="list-style-type: none"> ▪ 5 years certain and life. ▪ Cash refund annuity.

Schedule SB, Part V – Summary of plan provisions *(continued)*

<i>Credited service</i>	Service earned after October 1, 1990.
<i>Average compensation</i>	The highest average compensation for the five consecutive plan years out of the last 10 plan years of participation.
<i>Covered compensation</i>	35-year average of the social security taxable wage bases ending with the year a participant attains Social Security retirement age.
<i>Floor plan offset</i>	The monthly benefit provided by a theoretical account balance equal to the sum of contributions equal to 3.75% of base compensation less 1.50% of total compensation made on the day that the actual 401(k) floor contributions are made. The account balance accumulated with interest each year at a rate equal to the annual rate of return as reported by the Fixed Income fund of the KSG Industries, Inc. Tax-Deferred Retirement and Incentive Plan for Salaried Employees. The account is accumulated to normal retirement date from date of termination using the PBGC rate as specified on the first day of the plan year coincident with or preceding the termination date.

Schedule SB, Part V – Summary of plan provisions *(continued)*

The following provisions relate to KSG Pistons, Inc. Salaried Employees Replacement Plan participants:

<i>Effective date</i>	January 1, 1991; restated effective January 1, 2001.
<i>Plan year</i>	Calendar year.
<i>Eligibility and participation</i>	The participation was frozen effective April 29, 1997.
<i>Normal retirement</i>	
<i>Eligibility:</i>	Age 62 and 5 years of participation.
<i>Benefit:</i>	A monthly amount of \$13.50 multiplied by credited service.
<i>Early retirement</i>	
<i>Eligibility:</i>	Age 55 and 10 years of vesting service.
<i>Benefit:</i>	Normal retirement benefit reduced by 5/9% for each month the benefit commencement precedes age 62. No reduction, if 30 years of service. In addition, there is an early retirement supplement payable until age 62, which is equal to the amount necessary to increase the total benefit (normal retirement benefit plus a prior plan benefit) to \$700/month.
<i>Disability retirement</i>	
<i>Eligibility:</i>	Ten years of service and permanent disability.
<i>Benefit:</i>	If eligible for unreduced Social Security benefit, immediate unreduced normal retirement benefit; otherwise, double immediate unreduced normal retirement benefits reduced by 50% at age 65. Participants with age 55 and 30 years of service receive early retirement supplements, as described above.
<i>Deferred vested benefit</i>	
<i>Eligibility:</i>	Five years of service
<i>Benefit:</i>	The normal retirement benefit accrued to date payable at age 62. May retire as early as age 55 with benefits actuarially reduced from age 62.

Schedule SB, Part V – Summary of plan provisions (continued)

Preretirement death benefit

Eligibility: Five years of service.

Benefit: 60% of the amount the participant would have received had he terminated employment on the day before he died, survived to his earliest retirement age, retired with an immediate joint and 100% spouse's annuity at that time, and died on that date. The benefit is payable at that date.

Annual Compensation Compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan.

The IRC Section 401(a)(17) pay limit for 2007 is \$225,000.

Coordination with Wickes Companies, Inc. Plan This plan is a continuation of the Pension Plan for Hourly Employees of the Bohn Aluminum & Brass Division of the Wickes Manufacturing Company, Plants 6 and 12, South Haven, Michigan previously sponsored by Wickes Companies, Inc. Members with credited service as of September 30, 1990 will receive a portion of their benefits described above from a plan sponsored by the Wickes Companies, Inc. and the balance from this Plan.

Service Total period of employment, including Wickes and predecessor, until April 29, 1997.

Credited service The sum of credited service under the prior plan at October 5, 1990 plus credited service accrued after October 5, 1990.

A year of credited service is credited for 1,633 hours in a calendar year; fractional years are credited for years with less than 1,633 hours.

Credited service accrual is frozen effective April 29, 1997.

Normal annuity form

Single participants: Life annuity.

Married participants: 60% joint and survivor annuity which is actuarially equivalent to life annuity.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Hourly Plan

<i>Effective date</i>	September 1, 1944; restated January 1, 2001; amended January 1, 2006.
<i>Plan year</i>	Calendar year.
<i>Eligibility</i>	Membership in The International Union of United Automotive, Aerospace and Agricultural Implement Workers of America, Local 2357 and an original date of hire before July 1, 2002.
<i>Participation</i>	Participation was frozen effective June 30, 2002
<i>Normal retirement</i>	
<i>Eligibility:</i>	Age 65 and 5 years of participation.
<i>Benefit:</i>	\$21 per month per year of credited service
<i>Early retirement</i>	
<i>Eligibility:</i>	Age 60 and 10 years of vesting service or 30 years of credited service.
<i>Benefit:</i>	<p>Normal retirement benefit reduced by .6% for each month of commencement prior to age 62.</p> <p>If age at retirement is at least 58 with 30 years of vesting service and credited service or, age 57 with 32 years of vesting service and credited service or, age 56 with 35 years of vesting service and credited service, his benefit accrued at June 30, 2002 is unreduced and an early retirement supplement until age 62 is paid. The supplement equals the amount necessary to increase the total early retirement benefit to \$1,500/month.</p> <p>For a participant retiring before age 58 and 30 years of vesting service and credited service or, age 57 with 32 years of vesting service and credited service or, age 56 with 35 years of vesting service and credited service, his benefit accrued at June 30, 2002 is unreduced. The remainder of his benefit is reduced actuarially below age 65.</p>

Schedule SB, Part V – Summary of plan provisions *(continued)*

Disability retirement

<i>Eligibility:</i>	10 years of vesting service and total and permanent disability.
<i>Benefit:</i>	The greater of \$150/month or the accrued benefit.

Deferred vested retirement

<i>Eligibility:</i>	5 years of vesting service.
<i>Benefit:</i>	The normal retirement benefit accrued to date payable at age 65. Participants with 10 years of vesting service may retire at age 60 with benefits actuarially reduced from age 65.

Preretirement death benefit

<i>Eligibility:</i>	5 years of vesting service.
<i>Benefit:</i>	50% of the amount the participant would have received had he terminated employment on the day before he died, survived to his earliest retirement age, retired with an immediate joint and 50% spouse's annuity at that time, and died on that date. The benefit is payable at that date.

Postretirement death benefit

<i>Eligibility:</i>	Normal, early, or disability retirement
<i>Benefit:</i>	\$3,000.

Normal annuity form

<i>Single participants:</i>	Life annuity.
<i>Married participants:</i>	50% joint and survivor annuity which is actuarially equivalent to life annuity.

Optional forms of annuity

- Life annuity.
 - 5 years certain and life.
 - 10 years certain and life.
 - 15 years certain and life.
 - 20 years certain and life.
 - 50% joint and survivor.
 - 66⅔% joint and survivor.
 - 75% joint and survivor.
 - 100% joint and survivor.
-

<i>Vesting service</i>	All service with the employer.
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Schedule SB, Part V – Summary of plan provisions *(continued)*

Benefit service

Service credited as of January 1, 1976 plus, for each following plan year, one year in which the participant is credited with more than 468 hours (fractional years are credited if less than 468 hours).

Beginning January 1, 2003, one year of service is credited for each plan year with more than 1,440 hours (fractional years are credited if less than 1,440 hours).

After January 1, 2006 employees with less than 35 years of service will not be allowed to accumulate more than thirty five years of service for pension purposes and employees with more than 35 years of service will not be allowed to accumulate additional service beyond January 1, 2006.

Employees that work, or are compensated for, or are on workers compensation during the year of injury for at least 1,600 hours per calendar year shall be credited with a full year of credited service for that year.

Maximum benefits

Annual benefits may not exceed the limits in IRC Section 415. For 2008, this limit is \$185,000. The limit is indexed annually.

Schedule SB, line 24 – Change in actuarial assumptions

Changes in non-prescribed assumptions

The withdrawal rate assumption has been changed to better reflect the experience of the Plan.

Current Year Withdrawal

Sample rates given below:

Attained age	Percentage
25	18.0%
35	8.7%
45	6.1%
55	4.4%
65 and above	2.5%

Prior Year Withdrawal

Nondisabled Withdrawals Per 1,000 Participants

<u>Age</u>	<u>Number</u>	<u>Age</u>	<u>Number</u>
20	54	45	35
25	53	50	25
30	51	55	9
35	47	60	1
40	42	61+	0

Schedule SB, line 24 – Change in actuarial methods

The interest discount was changed from the 3-tiered rates for January 2008 of 5.31%, 5.92% and 6.43% to the full yield curve for November 2008.

The asset valuation method elected by the plan sponsor is the annual average of the adjusted market value over the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430. For the prior year, assets were valued at the market value.

Schedule SB, Line 27 – Schedule of active participant data

Age	Years of service as of January 1, 2009									Total
	< 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
< 25										0
25 - 29										0
30 - 34										0
35 - 39			2							2
40 - 44		1	1							2
45 - 49			2				1			3
50 - 54		3			2		7	13		25
55 - 59						1	4	12		17
60 - 64			1		1		1		6	9
65 - 69		1			1				3	5
70+									1	1
TOTAL	0	5	6	0	4	1	13	25	10	64

Schedule SB, Line 32 – Schedule of amortization bases

Description	Amortization Period			Balance		Beginning of Year Payment
	Date Created	Initial Years	Years Left	Initial	Outstanding	
Shortfall Amortization Charge	1/1/2008	7	6	12,580,736	10,556,224	2,104,221
Shortfall Amortization Charge	1/1/2009	7	7	2,937,612	2,937,612	521,276
Total					13,493,836	2,625,497

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue Service**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

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

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan KARL SCHMIDT UNISIA, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KARL SCHMIDT UNISIA, INC.	D Employer Identification Number (EIN) 39-1681963
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value	2a	58,827,340
b Actuarial value	2b	64,710,074
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 1,390	67,043,002
b For terminated vested participants	3b 597	7,222,903
c For active participants:		
(1) Non-vested benefits	3c(1)	820,458
(2) Vested benefits	3c(2)	2,877,199
(3) Total active	3c(3) 64	3,697,657
d Total	3d 2,051	77,963,562
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	8.28 %
6 Target normal cost	6	336,389

Statement by Enrolled Actuary

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

**SIGN
HERE**

Signature of actuary

JAMES D. KERSHNER, F.S.A., E.A.

Type or print name of actuary

MERCER

600 RENAISSANCE CENTER, SUITE 1800

DETROIT

MI 48243-1815

Address of the firm

10/13/2010

Date

08-03526

Most recent enrollment number

(313) 259-5500

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2009
v.092308.1

Liquidity shortfall as of end of Quarter of this plan year

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	336,389
32 Amortization installments:	Outstanding Balance	Installment
☒ a Net shortfall amortization installment	13,493,836	2,625,497
☐ b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	2,961,886
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	240,082	0
36 Additional cash requirement (item 34 minus item 35)	36	2,721,804
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	5,609,609
38 Interest-adjusted excess contributions for current year (see instructions)	38	2,887,805
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Schedule SB, line 8 – Prior year carryover balance use discrepancy

The prior year carryover balance used reported on Line 8 differs from the balances used to offset funding requirement reported on Line 35 of the 2008 Schedule SB for the Karl Schmidt Unisia, Inc. Retirement Plan. The discrepancy amounts to \$93 which increased the total funding to the plan for 2008. Due to the small amount of change in question and the fact that the change did not create a funding shortfall, an amended 2008 filing was not created.

Schedule SB, line 11 – Excess contribution discrepancy

The excess contributions reported on Line 11 differ from the Interest-adjusted excess contributions reported on Line 38 of the 2008 Schedule SB for the Karl Schmidt Unisia, Inc. Retirement Plan. The discrepancy amounts to \$93 and was caused by an incorrect entry on Line 35 of the 2008 Schedule SB. Due to the small amount of change in question and the fact that Karl Schmidt Unisia, Inc. did not elect to create a prefunding balance with the excess, an amended 2008 filing was not created.