

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

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan HOURLY EMPLOYEES' PENSION PLAN OF ARLON INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION	1b Three-digit plan number (PN) ▶ 016
		1c Effective date of plan 10/19/1976
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) BAIRNCO CORPORATION C/O WHX CORPORATION HANDY HARMON 1133 WESTCHESTER AVE., SUITE N222 WHITE PLAINS, NY 10604	2b Employer Identification Number (EIN) 13-3057520 2c Sponsor's telephone number 914-461-1263 2d Business code (see instructions) 339900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	JAMES MCCABE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	JAMES MCCABE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

BAIRNCO CORPORATION
C/O WHX CORPORATION
HANDY HARMON
1133 WESTCHESTER AVE., SUITE N222
WHITE PLAINS, NY 10604

3b Administrator's EIN

13-3057520

3c Administrator's telephone number

914-461-1263

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

134

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**

66

b Retired or separated participants receiving benefits.....**6b**

12

c Other retired or separated participants entitled to future benefits.....**6c**

45

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

123

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

5

f Total. Add lines **6d** and **6e**.....**6f**

128

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**

6

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1B 1G 3H 1I

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

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)

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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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 HOURLY EMPLOYEES' PENSION PLAN OF ARLON INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION		B Three-digit plan number (PN)	016
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BAIRNCO CORPORATION		D Employer Identification Number (EIN) 13-3057520	
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 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	1333097
b Actuarial value		2b	1466407
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	13 369932
b For terminated vested participants		3b	47 435023
c For active participants:			
(1) Non-vested benefits		3c(1)	67771
(2) Vested benefits		3c(2)	810385
(3) Total active		3c(3)	74 878156
d Total		3d	134 1683111
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	7.97 %
6 Target normal cost		6	88002

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.

<div>SIGN HERE</div>	<div>10/01/2010</div> <div>Signature of actuary</div> <div>THOMAS A. DEFILIPPO</div> <div>Type or print name of actuary</div> <div>TOWERS WATSON PENNSYLVANIA, INC.</div> <div>Firm name</div> <div>600 GRANT STREET SUITE 5650 PITTSBURGH, PA 15219-2801</div> <div>Address of the firm</div>	<div>Date</div> <div>08-06419</div> <div>Most recent enrollment number</div> <div>412-497-3000</div> <div>Telephone number (including area code)</div>
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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)	54056	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	54056	
9	Amount remaining (Item 7 minus item 8).....	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
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).....	0	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	87.12 %
15	Adjusted funding target attainment percentage.....	15	87.12 %
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	85.99 %
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
04/15/2009	28675				
07/15/2009	28675				
10/15/2009	18088				
01/15/2010	25146				
09/13/2010	31000				
			Totals ►	18(b)	131584
				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
b	Contributions made to avoid restrictions adjusted to valuation date	19b
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 123044
20 Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		

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

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	88002
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	115717	23759
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	111761
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35).....	36	111761
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	123044
38 Interest-adjusted excess contributions for current year (see instructions).....	38	11283
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 C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider 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>	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

<div>A Name of plan</div> <div>HOURLY EMPLOYEES' PENSION PLAN OF ARLO INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION</div>	<div>B Three-digit plan number (PN)</div> <div>▶ 016</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>BAIRNCO CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>13-3057520</div>

Part I

Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

TOWERS PERRIN

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	40072	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PROXIMA

02-1385704

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	30701	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GRANT THORNTON

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	26000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

OLSHAN

13-1978173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	12743	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WPN CORPORATION

13-3410792

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	NONE	10627	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<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					
<div>A Name of plan</div> <div>HOURLY EMPLOYEES' PENSION PLAN OF ARLON INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION</div>				<div>B Three-digit plan number (PN) ▶</div> <div>016</div>	
<div>C Plan or DFE sponsor's name as shown on line 2a of Form 5500</div> <div>BAIRNCO CORPORATION</div>				<div>D Employer Identification Number (EIN)</div> <div>13-3057520</div>	
<div>Part I</div> <div>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</div> <div>(Complete as many entries as needed to report all interests in DFEs)</div>					
<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div> <div>WHX MASTER PENSION TRUST</div>					
<div>b Name of sponsor of entity listed in (a):</div> <div>WHX CORPORATION</div>					
<div>c EIN-PN</div> <div>13-7086350-001</div>		<div>d Entity code</div> <div>M</div>		<div>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div> <div>1575544</div>	
<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b Name of sponsor of entity listed in (a):</div>					
<div>c EIN-PN</div>		<div>d Entity code</div>		<div>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>	
<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b Name of sponsor of entity listed in (a):</div>					
<div>c EIN-PN</div>		<div>d Entity code</div>		<div>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>	
<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b Name of sponsor of entity listed in (a):</div>					
<div>c EIN-PN</div>		<div>d Entity code</div>		<div>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>	
<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b Name of sponsor of entity listed in (a):</div>					
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<div>a Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

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

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan HOURLY EMPLOYEES' PENSION PLAN OF ARLON INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION	B Three-digit plan number (PN) ►	016
C Plan sponsor's name as shown on line 2a of Form 5500 BAIRNCO CORPORATION	D Employer Identification Number (EIN) 13-3057520	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	67209	56146
(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)	1268682	1575544
(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	1335891	1631690

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		47565
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	47565

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1335891	1584125
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	131584	
(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)		131584

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		290574
(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		422158

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	42662	
(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)		42662
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)	79253	
(2) Contract administrator fees	2i(2)	241	
(3) Investment advisory and management fees	2i(3)	44040	
(4) Other	2i(4)	670	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		124204
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		166866

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		255292
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		7058

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: GRANT THORNTON LLP

(2) EIN: 36-6055558

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		10000000
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>HOURLY EMPLOYEES' PENSION PLAN OF ARLON INC. MICROWAVE MATERIAL AND SILICONE TECHNOLOGIES DIVISIONS, BEAR, DELAWARE LOCATION</u>	B Three-digit plan number (PN) ▶ <u>016</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BAIRNCO CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3057520</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>94-1347393</u> <u>04-1867445</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<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)
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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
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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
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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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Plan Administrator of

The Hourly Employees Pension Plan of Arlon, Inc., Microwave Materials and Silicone Technologies Divisions, Bear, Delaware:

We were engaged to audit the financial statements of The Hourly Employees Pension Plan of Arlon, Inc., Microwave Materials and Silicone Technologies Divisions, Bear, Delaware (the “Plan”) as of December 31, 2009 and 2008, and for the year ended December 31, 2009, as listed in the accompanying table of contents. 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 information summarized in Note 12, which was certified by State Street Bank and Trust Company and Wachovia Bank, N.A. and Trust, the trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustees 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 trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants 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.

As discussed in Note 3, the Plan has restated its 2008 financial statements.



Edison, New Jersey
October 14, 2010

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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
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► **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 HOURLY EMPLOYEES PENSION PLAN OF ARLON INC.	B Three-digit plan number (PN) ►	016
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BAIRNCO CORPORATION	D Employer Identification Number (EIN) 13-3057520	
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	1,333,097	
b Actuarial value.....	2b	1,466,407	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	13	369,932
b For terminated vested participants	3b	47	435,023
c For active participants:			
(1) Non-vested benefits.....	3c(1)		67,771
(2) Vested benefits.....	3c(2)		810,385
(3) Total active	3c(3)	74	878,156
d Total.....	3d	134	1,683,111
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	7.97 %	
6 Target normal cost	6	88,002	

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	Thomas A. DeFilippo <i>TAD</i> <div style="text-align: center;">Signature of actuary</div>	10/01/2010 <div style="text-align: center;">Date</div>
	THOMAS A. DEFILIPPO <div style="text-align: center;">Type or print name of actuary</div>	08-06419 <div style="text-align: center;">Most recent enrollment number</div>
	TOWERS WATSON <div style="text-align: center;">Firm name</div>	(412) 497-3000 <div style="text-align: center;">Telephone number (including area code)</div>
	600 GRANT STREET, SUITE 5650 <div style="text-align: center;">Address of the firm</div>	
	PITTSBURGH <div style="text-align: center;">PA 15219-2801</div>	

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)	54,056	N/A
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	54,056	
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of _____ %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____ %		
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		
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)	0	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	87.12 %
15 Adjusted funding target attainment percentage.....	15	87.12 %
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	85.99 %
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
04/15/2009	28,675				
07/15/2009	28,675				
10/15/2009	18,088				
01/15/2010	25,146				
09/13/2010	31,000				
Totals ►			18(b)	131,584	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	123,044

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
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
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	88,002
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	115,717	23,759
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	111,761
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	111,761
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	123,044
38 Interest-adjusted excess contributions for current year (see instructions)	38	11,283
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

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Assumptions and Methods

Contributions

Economic Assumptions

Discount rate	N/A
Return on assets	N/A
Funding interest rate basis:	
• Applicable month	October (based on bonds yields in October 2008)
• Yield curve basis	Full yield curve
• Transition from current liability rates	N/A
Funding interest rates:	
• 10-year rate	8.85%
▶ 20-year rate	8.16%
▶ 30-year rate	7.48%
▶ Effective interest rate	7.97%

Demographic Assumptions

Mortality	Funding Target— Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2023 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2015 using scale AA)
Disability	50% of 1955 UAW rates

Schedule SB

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Termination

Rates in accordance with the T-9 Table from the Actuaries Handbook. Sample rates are illustrated below:

<i>Age</i>	<i>Rate</i>
25	17.2%
30	15.8%
35	13.7%
40	11.3%
45	8.4%
50	5.1%
55	1.7%
60	0.2%

Retirement

Participants are assumed to retire at the later of age 65 or their current age

Benefit commencement date

- Preretirement death benefit Surviving spouse benefits commence at the later of the death of the active participant or the date the participant would have attained earliest retirement age
- Termination benefit Age 65
- Disability benefit Upon termination of employment
- Retirement benefit Upon termination of employment

Form of payment

Normal form for unmarried participant

Percent married

80% of participants

Spouse age

Wife three years younger than husband

Administrative expense

- Pension cost Return on asset assumption is net of any expenses paid by the trust
- Funding An expense assumption of \$26,013 was included in the Target normal cost. This assumption is intended to include expected non-investment expenses and PBGC premiums to be paid from the plan trust during 2009.

Methods

Contributions

- Valuation date First day of plan year
- Funding target and target normal cost Present value of accrued benefits

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

- **Actuarial value of assets** Smoothed market value over three years. This provides for a three-year smoothing (33.33% per year) of the difference between actual market value of assets and the expected market value of assets. Expected market value of assets is determined by rolling forward the prior year's market value of assets, using actual disbursements and contributions (included in the current year's market value but not included in the prior year's market value), using the third segment rate from the valuation. The actuarial value of assets is restricted, if necessary, to be within 10% of the market value of assets.

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a bias to produce an actuarial value of assets that is below the market value of assets.

Benefits Not Valued

Towers Perrin has reviewed documentation provided by WHX Corporation and is not aware of any significant benefits that should have been valued and were not.

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Changes in Assumptions and Methods Since the Prior Valuation

Contributions

The funding target interest rate was changed from segment rates without transition as of January 2008 to a full corporate bond yield curve as of October 2008.

The method for calculating actuarial value of assets changed from fair market value, plus contributions receivable to a 3-year smoothed value, plus contributions receivable.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Data Sources

Towers Perrin used asset data supplied by the trustee and participant data prepared by the operating units. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Perrin actuaries when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions

Effective Date	The Effective Date of the amended Plan is October 19, 1976
Eligibility	All hourly employees who are members of the bargaining unit are eligible upon employment
Credited Service	Generally, all service with employer after February 1, 1972. An employee will be credited with a full year of service for each year in which at least 1,000 hours are worked. In addition, for purposes of calculating amount of benefits, partial years are credited for the first and last years of employment, provided more than 500 hours were worked for each partial year credited.
Retirement Dates	
Normal	First of the month coincident with or next following a participant's 65 th birthday
Early	First day of month coincident with or next following a participant's 55 th birthday and the completion of 10 Years of Credited Service
Disability	Not provided
Deferred	First day of month coincident with or next following a participant's termination of service after his Normal Retirement Date
Retirement Benefits	
Normal	An employee will receive a monthly benefit for each year of Credited Service, in accordance with the following schedule:

<u>Date of Retirement</u>	<u>Benefit Rate for each Year of Credited Service</u>
10/19/75 through 9/29/79	\$5.00
9/30/79 through 9/29/81	\$6.00
9/30/81 through 9/29/82	\$7.00
9/30/82 through 9/29/84	\$8.00
9/30/84 through 9/28/85	\$9.00
9/29/85 through 9/28/86	\$10.00
9/29/86 through 9/30/88	\$10.50
10/1/88 through 10/1/89	\$11.50
10/2/89 through 9/27/91	\$12.00
9/28/91 through 9/27/92	\$13.00
9/28/92 through 9/27/93	\$14.00
9/28/93 through 9/29/94	\$15.00
9/30/94 through 9/28/95	\$16.00

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Summary of Plan Provisions

	9/29/95 through 9/26/96	\$17.00
	9/27/96 through 10/4/97	\$18.00
	10/5/97 through 10/3/98	\$19.00
	10/4/98 through 10/2/99	\$20.00
	10/3/99 through 10/7/00	\$21.00
	10/8/00 through 10/6/01	\$22.00
	10/7/01 through 10/5/02	\$23.00
	10/6/02 through 10/9/04	\$24.00
	10/10/04 through 10/8/05	\$25.00
	10/9/05 through 10/11/07	\$26.00
	10/12/07 through 10/11/08	\$27.00
	10/12/08 and thereafter	\$28.00
Early	<p>The benefit is determined as for Normal Retirement but based on Credited Service to the Early Retirement Date. The benefit commences at the Normal Retirement Date.</p> <p>If the employee elects for the benefit to commence prior to Normal Retirement Date, the amount of the benefit will be reduced by 5/9ths of 1% for every month by which the pension commencement date precedes the Normal Retirement Date up to the first 60 months, and 5/18ths of 1% for every month thereafter</p>	
Disability	Not provided	
Deferred	<p>The benefit is determined as for Normal Retirement but based on Credited Service to the Deferred Retirement Date. The benefit commences at the Deferred Retirement Date.</p>	
Death Benefits		
Active Employees	<p>A spouse of any employee who dies in active service with a vested benefit is entitled to a benefit equal to 50% of the amount he could have received if he had retired early and had elected to receive his benefit under a joint and 50% survivor form of payment</p>	
Retired Employees	<p>None, unless an optional form of retirement benefit is elected, which provides a death benefit</p>	
Deferred Vested Benefits		
Eligibility	Completion of 5 years of Credited Service	
Benefit	<p>The benefit is determined as for Normal Retirement but based on Credited Service to the Date of Termination. The benefit commences at the Normal Retirement Date.</p>	

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Part V – Summary of Plan Provisions

An employee may elect to commence benefit payments on the first day of any month following his Early Retirement Date. If the employee elects for the benefit to commence prior to Normal Retirement Date, the benefit will be reduced as for Early Retirement.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been changes in benefits valued since the prior year. For funding purposes, the monthly benefit multipliers have increased from \$27 per year of benefit service to \$28 per year of benefit service.

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, line 25 – Change in Method

- The method for calculating actuarial value of assets changed from fair market value, plus contributions receivable, to a 3-year smoothed value, plus contributions receivable.
- The funding interest rate was changed from segment interest rates without transition as of January 2008 to a full corporate bond yield curve as of October 2008.
- Expenses added to the target normal cost were assumed to be \$26,013.
- The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

Bairnco Corporation (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Line 26 – Schedule of Active Participant Data

Age Last Birthday	Completed Years of Service										Total
	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35-39	40 & up	
15 to 24	0	2	0	0	0	0	0	0	0	0	2
25 to 29	0	2	2	0	0	0	0	0	0	0	4
30 to 34	0	5	2	1	0	0	0	0	0	0	8
35 to 39	0	2	1	0	0	0	0	0	0	0	3
40 to 44	0	3	3	0	0	1	0	0	0	0	7
45 to 49	0	3	5	3	3	5	0	0	0	0	19
50 to 54	0	7	3	1	3	1	0	0	0	0	15
55 to 59	0	1	2	1	0	2	2	1	0	0	9
60 to 64	0	2	0	0	1	1	0	1	0	0	5
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	1	1	0	0	0	0	0	0	2
Total	0	27	19	7	7	10	2	2	0	0	74

Average Age = 47.1 Average Service = 10.5

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Line 32 – Schedule of Amortization Bases

Amortization Record in Support of Minimum Required Contribution

Type of Base	Present Value of Remaining Installments	Year Established	Remaining Period	Installment
Shortfall	\$ 147,360	2008	6.000	\$ 29,374
Shortfall	\$ (31,643)	2009	7.000	\$ (5,615)

Bairnco Corporation (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB, Line 19 — Discounted Employer Contributions

a. Contributions allocated toward unpaid minimum required contributions from prior years

None

b. Contributions made to avoid benefit restrictions adjusted to the valuation date

None

c. Contributions allocated toward minimum required contribution for current year, adjusted to valuation date

Date	Amount of Contribution	Plan Year	Effective Interest Rate	Elapsed Time	Discount Factor	Interest Adjusted Contribution
4/15/2009	28,675	2009	7.97%	0.284931507	0.978388	28,055
7/15/2009	28,675	2009	7.97%	0.534246575	0.959860	27,524
10/15/2009	18,088	2009	7.97%	0.786301370	0.941486	17,030
1/15/2010	25,146	2009	7.97%	1.038356164	0.923463	23,221
9/13/2010	31,000	2009	7.97%	1.698630137	0.877870	27,214
Total						123,044

Bairnco Corporation – (EIN 13-3057520)
Hourly Employees Pension Plan of Arlon Inc. (PN 016)

Schedule SB — General Information

- In preparing the Schedule SB, the actuary relied upon asset data provided by the plan's trustee and demographic data provided by the company. This information was reviewed by the actuary for consistency and reasonableness.
- Attached separately:
 - Actuarial assumptions, actuarial methods, identification of any benefits not included in the valuation and changes in actuarial assumptions and methods.
 - Plan provisions including eligibility provisions, benefit provisions, early retirement factors, and a summary of changes in the plan since the last valuation, as well as any other significant events.
 - Any other information needed for full and fair disclosure of the plan's actuarial position.

Financial Statements and Report of
Independent Certified Public Accountants

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLON, INC.,
MICROWAVE MATERIALS AND SILICONE TECHNOLOGIES
DIVISIONS, BEAR, DELAWARE**

December 31, 2009 and 2008

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLON, INC.,
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Plan Administrator of

The Hourly Employees Pension Plan of Arlon, Inc., Microwave Materials and Silicone Technologies Divisions, Bear, Delaware:

We were engaged to audit the financial statements of The Hourly Employees Pension Plan of Arlon, Inc., Microwave Materials and Silicone Technologies Divisions, Bear, Delaware (the “Plan”) as of December 31, 2009 and 2008, and for the year ended December 31, 2009, as listed in the accompanying table of contents. 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 information summarized in Note 12, which was certified by State Street Bank and Trust Company and Wachovia Bank, N.A. and Trust, the trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustees 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 trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants 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.

As discussed in Note 3, the Plan has restated its 2008 financial statements.



Edison, New Jersey
October 14, 2010

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLON, INC.,
MICROWAVE MATERIALS AND SILICONE TECHNOLOGIES DIVISIONS,
BEAR, DELAWARE**

Statements of Net Assets Available for Benefits

December 31

	<u>2009</u>	<u>2008 (restated)</u>
ASSETS		
Plan interest in the WHX Master Pension Trust, at fair value as certified by the Trustees	<u>\$ 1,575,544</u>	<u>\$ 1,268,682</u>
Total investments	1,575,544	1,268,682
Contribution receivable	<u>56,146</u>	<u>67,209</u>
Total assets	1,631,690	1,335,891
Liabilities - accrued expenses	<u>(47,565)</u>	<u>-</u>
Net assets available for benefits	<u><u>\$ 1,584,125</u></u>	<u><u>\$ 1,335,891</u></u>

The accompanying notes are an integral part of these financial statements.

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLON, INC.,
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**Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2009**

ADDITIONS TO NET ASSETS

Contributions	\$ 131,584
Plan interest in WHX Master Pension Trust net investment income as certified by the Trustees	<u>290,574</u>
Total additions	<u>422,158</u>

DEDUCTIONS FROM NET ASSETS

Benefits paid directly to defined benefit plan participants	42,662
Administrative expenses	<u>131,262</u>
Total deductions	<u>173,924</u>

Net increase in net assets	248,234
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NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>1,335,891</u>
End of year	<u>\$ 1,584,125</u>

The accompanying notes are an integral part of these financial statements.

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1. PLAN DESCRIPTION

The following brief description of The Hourly Employees Pension Plan of Arlon, Inc., Microwave Materials and Silicone Technologies Divisions, Bear, Delaware (the "Plan") is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the Plan agreement.

General

Effective April 9, 1981, Bairnco Corporation ("Bairnco") became the formal sponsor of the Plan. Arlon, Inc. (the Employer) is a subsidiary of the Corporation. Effective April 13, 2007, WHX Corporation (the "Corporation") became the ultimate parent of Bairnco and the formal sponsor of the Plan.

The Plan is a defined benefit plan for which all contributions are made by the Corporation. The Corporation contributes amounts needed, as determined by the actuary, to meet minimum funding requirements.

Participants in the Plan include all individuals employed by the Employer who are represented by the Council of United Textile Workers of America/United Food Commercial Workers, AFL-CIO, Local 266T (the "Union"), and are covered by the collective bargaining agreement between the Corporation and the Union. The Union has a 90 day waiting period for membership.

Administration of the Plan

The accounting records are maintained by the Corporation. Effective March 31, 2008, the Plan assets were transferred to be held and managed by the WHX Master Pension Trust ("Master Trust") whose trustee was CitiBank, N.A. Beginning December 1, 2008, the Plan appointed State Street Bank and Trust Company (the "Trustee") as the new Trustee of the Plan's assets. Wachovia Bank, N.A. and Trust continues to be custodial trustee to administer benefit payments.

Contributions

The Corporation contributes amounts needed, as determined by the actuary, to meet funding requirements. Contributions are sufficient to provide normal cost for the current year plus amortization of unfunded past service liabilities. Unfunded past service liabilities arising subsequent to January 1, 1977, due to plan amendments or changes in actuarial assumptions, are being amortized over a 30-year period commencing on the effective date of the amendment or change in assumption. The Corporation's contributions to the Plan for the years ended December 31, 2009 and 2008, were in compliance with minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974 ("ERISA").

Vesting and Payment of Benefits

A participant's benefits are 100% vested in the Plan at the earliest of either:

- The participant attains age 65, provided the participant is an employee of the Employer on the date the participant becomes 65; or,

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- Upon completion of five years of credited service.

Upon retirement, benefits are paid monthly during the lifetime of the retiree and, if applicable, during the lifetime of a surviving annuitant. A participant with an eligible spouse will have the benefits paid in the form of a joint and survivor annuity unless the participant elects not to receive it in this form. The amount of the monthly benefit is based on years of service and other factors, as defined in the Plan agreement.

An employee will receive a monthly benefit for each year of credited service in accordance with the Plan. Monthly benefits for each retirement date are summarized in the following schedule:

Date of Retirement	Benefit Rate for Each Year of Credited Service
10/19/75 – 09/29/79	\$ 5.00
09/30/79 – 09/29/81	6.00
09/30/81 – 09/29/82	7.00
09/30/82 – 09/29/84	8.00
09/30/84 – 09/28/85	9.00
09/29/85 – 09/28/86	10.00
09/29/86 – 09/30/88	10.50
10/01/88 – 10/01/89	11.50
10/02/89 – 09/27/91	12.00
09/28/91 – 09/27/92	13.00
09/28/92 – 09/27/93	14.00
09/28/93 – 09/29/94	15.00
09/30/94 – 09/28/95	16.00
09/29/95 – 09/26/96	17.00
09/27/96 – 10/04/97	18.00
10/05/97 – 10/03/98	19.00
10/04/98 – 10/02/99	20.00
10/03/99 – 10/07/00	21.00
10/08/00 – 10/06/01	22.00
10/07/01 – 10/05/02	23.00
10/06/02 – 10/09/04	24.00
10/10/04 – 10/08/05	25.00
10/09/05 – 10/11/07	26.00
10/12/07 – 10/11/08	27.00
10/12/08 and thereafter	28.00

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLO, INC.,
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December 31, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the accrual method of accounting in conformity with the accounting principles generally accepted in the United States of America ("US GAAP") as applied to employee benefit plans, and in accordance with the Plan agreement.

Investment Valuation and Income Recognition

The funds from the Plan are combined with funds from other pension benefit plans of the Corporation in the Master Trust. The allocation of the assets and the accounting for the transactions of the Plan were performed by the Trustees as of and for the years ended December 31, 2009 and 2008. The Plan's interest in the Master Trust investment income and losses and realized and unrealized gains and losses has been allocated to the Plan on a pro rata basis by the Trustee based on the Plan's time weighted average asset percentage. The items used in the weighted average calculation include beginning of year assets, contributions, benefit payments and expenses. The investments held by the Master Trust are stated at fair value. All of these assets have readily determinable market values based on quoted prices, established on national securities exchanges.

Measurement Date

Purchases and sales of securities are recognized on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on years of service and the benefit rate in effect at the time of termination. The accumulated plan benefits for active employees are based on the rate in the current collective bargaining agreement, projected at a flat rate through retirement age of 65. 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 to the valuation date.

The actuarial present value of accumulated plan benefits is discounted 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, or retirement) between the valuation date and the expected date of payment. Accumulated plan benefits are valued net of benefits to be paid from other sources such as the PBGC or the defined contribution portion of the Plan.

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Contributions

Contributions to the defined benefit portion of the Plan are recorded as additions to the Plan on an accrual basis.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Certain employees of the Corporation provide services to the Plan. Neither these individuals nor the Corporation receives any compensation from the Plan. Certain plan expenses, including consulting, legal, accounting, actuary and investment manager fees, were paid by the Master Trust and allocated to the respective plans based on their interest in the Master Trust or, if the fees were applicable to a particular plan, allocated directly to such plan.

Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued FASB No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162" ("SFAS No. 168"). SFAS No. 168 was effective for interim and annual periods ending after September 15, 2009. Under SFAS No. 168, the FASB Accounting Standards Codification (the "Codification" or "ASC") became the source of authoritative US GAAP recognized by the FASB to be applied by non-governmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification superseded all existing non-SEC accounting and reporting standards at September 15, 2009. All other non-grandfathered non-SEC accounting literature not included in the Codification has become non-authoritative. SFAS No. 168 has been incorporated in ASC 105, "Generally Accepted Accounting Principles." The Plan adopted SFAS No. 168 in 2009 with no effect on the Plan's financial statements except for the change in the referencing of financial accounting standards.

The Plan adopted a new accounting standard included in ASC 855, "Subsequent Events," which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Plan adopted this standard in 2009 and has evaluated subsequent events accordingly with no material impact on the Plan's Financial Statements.

In September 2009, the FASB issued Accounting Standards Update ("ASU") 2009-12, "Fair Value Measurements and Disclosures (Topic 820) – Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)." This update provides guidance on estimating the fair value of an entity's investments in investment companies when the investment does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance is effective for periods ending after December 15, 2009. The adoption did not have a material impact on the Plan's financial statements and all applicable disclosures are included in these financial statements.

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In January 2010, the FASB issued ASU 2010-06, "Improving Disclosures about Fair Value Measurements" ("ASU 2010-06"). ASU 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 as well as the reasons for the transfers and a greater level of disaggregation for each class of assets and liabilities. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements are presented separately rather than one net number. This standard is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of revised Level 3 disclosure requirements which are effective for interim and annual reporting periods beginning after December 15, 2010. The Plan will apply the provisions of this standard to its financial statement disclosures beginning in annual reporting period ending December 31, 2010.

Subsequent Events

The Plan has evaluated subsequent events through October 14, 2010, the date the financial statements were available to be issued, and determined the following items to disclose:

Effective January 1, 2010 the Plan was frozen to future participants and benefits frozen for all current, active participants.

Reclassification

Certain amounts for prior years have been reclassified to conform to the current year presentation.

3. RESTATEMENT

The previously issued December 31, 2008 financial statements have been restated in order to correct the omission of the contribution receivable for Plan year ending December 31, 2008 from the Statement of Net Assets Available for Benefits. Such omission was corrected by restating the December 31, 2008 net assets available for benefits included in the accompanying Statement of Net Assets Available for Benefits to include the contribution receivable of \$67,209.

4. FUNDING POLICY

The Company's funding policy is to make annual contributions to the Plan in amounts to meet the minimum funding requirements of ERISA as amended by the Pension Protection Act of 2006 beginning with the 2008 Plan year. For the Plan year ended December 31, 2009, the Company met the minimum funding standards.

5. RISKS AND UNCERTAINTIES

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with such investment securities, it is reasonably possible that changes in the valuation of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

6. PARTY-IN-INTEREST

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan, or an employer whose employees are covered by the Plan. Certain plan investments are managed by the Trustee. Transactions related to those investments qualify as party-in-interest transactions. State Street Bank and Trust and Wachovia Bank N.A. and Trust, were the trustees of the Master Trust during the 2009 Plan Year. State Street Bank and Trust and Wachovia Bank N.A. and Trust are the current trustees of the Plan; therefore all 2009 transactions with State Street Bank and Trust and Wachovia Bank N.A. and Trust qualify as party-in-interest transactions. For the year ended December 31, 2009, the amount of administrative expenses paid by the Plan to State Street were \$185 and Wachovia was \$41.

On February 1, 2004, the Company, on behalf of the Plan Trust, entered into an Investment Consulting Agreement with WPN Corp. pursuant to which WPN Corp. would manage the assets of the Plan Master Trust. Ronald LaBow, the former Chairman of the Board of the Company, is the sole stockholder and an officer and director of WPN Corp. Under the Agreement, WPN Corp. is paid 0.90% of the amount of the assets under management for year ended December 31, 2009. The Plan Trust Agreement was negotiated by a board committee composed of independent directors and recommended to the full board, which approved such agreement. In 2009, the amount of investment management fees paid to WPN Corp. was \$3,375,666. For the year ended December 31, 2009, a person related to Ron LaBow managed the DG Intrinsic fund.

7. ACTUARIAL VALUATION

The actuarial present value of accumulated Plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants 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. The actuarial cost method used to calculate the actuarial present value of accumulated plan benefits is the projected unit cost method. The Corporation's contributions are calculated by using the credited service method.

December 31, 2009 and 2008

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

The actuarially determined present values of accumulated plan benefits are as follows for the years ended December 31:

Actuarial present value of accumulated plan benefits	2009	2008
Vested benefits:		
Participants and beneficiaries currently receiving benefits	\$ 363,347	\$ 365,463
Other participants	1,175,399	1,101,934
Total vested benefits	1,538,746	1,467,397
Non vested benefits	68,405	73,894
	<u>\$ 1,607,151</u>	<u>\$ 1,541,291</u>

The increase (decrease) in the actuarial present value of accumulated plan benefits are as follows for the year ended December 31:

	2009
Actuarial present value of accumulated plan benefits, beginning of year	\$ 1,541,291
Benefits accumulated	(25,831)
Increase in interest due to decrease in the discount period	129,234
Change in actuarial assumptions	5,119
Benefits paid directly to participants	(42,662)
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 1,607,151</u>

8. FAIR VALUE MEASUREMENTS

FASB ASC 820, "Fair Value Measurements and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

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Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008:

Equities: When available, we use quoted market prices to determine the fair value of investment securities, and they are included in Level 1. Level 1 securities primarily include publicly-traded equity securities. These investments are held in the plans name

Fixed Income Securities: When available, we use observable market data, including pricing on recent closed market transactions, to value loans which are included in Level 2. When this data is unobservable, we use valuation methodologies using current market interest rate data adjusted for inherent credit risk, and such loans are included in Level 3. When appropriate, loans are valued using collateral values as a practical expedient.

Common Trust Funds: Common trust funds are comprised of shares or units in commingled funds that are not publicly traded. The underlying assets in these funds are primarily publicly traded equity securities, fixed income securities, and commodity-related securities and are valued at their net asset values (NAVs) that are calculated by the investment manager or sponsor of the fund and have varying liquidity, redemption period notices and other restrictions.

Fund of Funds: Consist of fund-of-fund LLC or commingled fund structures. The LLCs are primarily valued based on NAVs calculated by the fund and are not publicly available. In most cases, the liquidity for the LLCs is quarterly with advance notice and is subject to liquidity of the underlying funds. In some cases there may be extended lock up periods greater than 90 days or side-pockets for non-liquid assets.

Futures contracts: closing prices for derivatives included in Level 1, which are traded either on exchanges or liquid over-the-counter markets. Derivative assets and liabilities included in Level 2 primarily represent

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interest rate swaps, cross-currency swaps and foreign currency and commodity forward and option contracts.

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

The following table sets forth by level, within the fair value hierarchy, the Master Trust assets at fair value as of December 31, 2009:

Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Equities	\$ 30,073,775	\$ 1,035,500	\$ -	31,109,275
Fixed Income Securities	9,438,250	28,672,242	135,000	38,245,492
Common Trust Funds	-	7,406,340	108,738,320	116,144,660
Fund of Funds	-	35,897,747	30,060,204	65,957,951
	39,512,025	73,011,829	138,933,524	251,457,378
Futures contracts, net	(910,096)	(217,398)	-	(1,127,494)
Total Investments, at fair value	<u>\$ 38,601,929</u>	<u>\$72,794,431</u>	<u>\$ 138,933,524</u>	250,329,884
Cash & cash equivalents				125,831,140
Net Receivable				3,385,761
Total Master Trust Assets, at fair value				<u>\$ 379,546,785</u>

The following table sets forth by level, within the fair value hierarchy, the Master Trust assets at fair value as of December 31, 2008:

Assets at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 72,738,438	\$ -	\$ -	\$ 72,738,438
US Government Securities	26,450,341	-	-	26,450,341
Convertible Securities	26,450,341	-	-	26,450,341
Cash	13,225,171	-	-	13,225,171
Other (Private Investment Funds)	-	191,764,973	-	191,764,973
			-	
Total Master Trust Assets, at fair value	<u>\$ 138,864,291</u>	<u>\$191,764,973</u>	<u>\$ -</u>	<u>\$ 330,629,264</u>

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The following table sets forth a summary of changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Fund of Funds	Common Trust Funds	Fixed Income Securities	Total
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Unrealized gains (losses) included in the Statement of Changes in Net Assets				
Available for Benefits	8,553,819	22,377,326	(333,750)	30,597,395
Purchases, sales and settlements, net	20,000,000	-	468,750	20,468,750
Transfers in	<u>1,506,385</u>	<u>86,360,994</u>	<u>-</u>	<u>87,867,379</u>
Balance, end of year	<u>\$ 30,060,204</u>	<u>\$ 108,738,320</u>	<u>\$ 135,000</u>	<u>\$ 138,933,524</u>

In accordance with the fair value measurements and disclosures guidance, the following table presents the category, fair value, redemption frequency, and redemption notice period for Plan investments, the fair values of which are estimated using the NAV per share as of December 31, 2009:

	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
WHX Pension Master Trust Investments			
Common trust funds			
Cohanzick Absolute Return Fund, Ltd.	\$ 3,095,868	quarterly	60 day
Mason Capital, Ltd.,	108,738,320	annual	45 days
Proxima Capital Offshore	<u>4,310,472</u>	quarterly	45 days
	<u>116,144,660</u>		
Fund of funds			
Entrust Diversified Select Credit Fund, Ltd. (a)	29,037,811	24 month lock-up then quarterly	90 days
Farallon Capital Offshore Investors	1,423,805	quarterly	45 days
Stafford Fund, Ltd.	7,129,546	quarterly	35 days
Titan Masters Fund, L.P.	27,344,396	quarterly	45 days
Titan Masters Fund, L.P. Class A – sidepocket (b)	<u>1,022,393</u>	(b)	(b)
	<u>\$65,957,951</u>		

- (a) Per the investment agreement there is a 24-month lock-up period from the time of the initial investment made by the Master Trust. This lock-up period expires in March 2011.

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- (b) This sidepocket fund was spun off the Titan Master Fund, LP. The investment is not available for redemption unless liquidated by the fund manager which is not determinable as of December 31, 2009.

9. TERMINATION OF THE PLAN

While it has not expressed any intention to do so, the Employer has the right, under the Plan, to terminate the Plan subject to the provisions set forth in ERISA.

Upon termination, the priorities for benefit payments from the net assets available for benefits are as follows, after reserving an amount sufficient to pay all expenses and charges incurred in effectuating such termination:

First, provide benefits equal to that portion of each participant's accrued benefit, which is derived from such participant's employee contributions, if any, made to a prior plan as provided under Section 4044(a)(1) or (2) of ERISA.

Second, provide benefits in excess of *First* above in accordance with the provisions of the Plan to (i) persons who are receiving benefit payments from the Plan, and whose benefits commenced at least three years prior to the date of termination, and (ii) any other persons who are eligible to request retirement in accordance with the Plan's normal and early retirement age, or who have retired in accordance with such sections, provided that the date on which such persons were first eligible to request such retirement was at least three years prior to the date of termination.

Third, provide benefits in excess of *First* and *Second* above for which payment is guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

Fourth, provide benefits in excess of *First*, *Second* and *Third* above to which a participant would have been entitled had the participant's employment terminated on the date on which the Plan terminated, or to which he was entitled if his employment had terminated prior to such date.

Fifth, provide any additional benefits accrued under the Plan on the date of termination.

In the event the net assets available for benefits are not sufficient to provide full benefits as outlined above, benefits shall be provided on a pro rata basis starting with *First* above and continuing with *Second*, *Third*, *Fourth* and *Fifth*, respectively, as assets are available. As such, some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees the vested normal age retirement benefits, early retirement benefits and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLO, INC.,
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10. INCOME TAX STATUS

The Plan received a determination letter from the Internal Revenue Service dated October 17, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan was subsequently amended and management believes the Plan is in compliance with applicable requirements of the Code. The Plan Administrator, and the Plan's counsel, believe the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

11. MASTER TRUST/INVESTMENTS

The Trustee maintains all records of investment transactions and determines the valuation of the investment portfolio. In 2008, the Bear Union Plan assets were merged into the WHX Master Pension Trust from the Bairnco Master Trust.

All of the Plan's investments are an interest in the Master Trust which was established for the investment of assets of the Plan and several other retirement plans sponsored by the Corporation. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by State Street Bank and Trust ("Trustee"). The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At December 31, 2009 and 2008, the Plan's interest in the net assets of the Master Trust was approximately 0.42% and 0.38% respectively. Income related to the Master Trust is allocated to the individual plans based upon average monthly balances invested by each Plan. The Plan's interest in the net assets of the Master Trust is included in Plan interest in the Master Trust in the accompanying statements of net assets available for benefits.

The following table presents the assets, including investment, of the Master Trust, as of December 31:

	<u>2009</u>	<u>2008</u>
Cash	\$ 125,831,140	\$ 29,411,932
Fixed Income Securities	38,245,492	24
Common Trust Funds	116,144,660	246,295,693
Equities	31,109,275	60,638,952
Fund of Funds	65,957,951	-
Futures contracts, net	(1,127,494)	-
Net receivable (payable)	3,385,761	(5,717,337)
Net Assets of the Master Trust	<u>\$ 379,546,785</u>	<u>\$ 330,629,264</u>
Plan interest in the Master Trust	<u>\$ 1,575,544</u>	<u>\$ 1,268,682</u>

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLO, INC.,
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Net investment income of the Master Trust for the year ended December 31, 2009 is as follows:

Net appreciation (depreciation) in fair value of investments:	
Cash	\$ 9,033
Fixed Income Securities	11,781,512
Common Trust Funds	25,058,946
Equities	42,671,877
Fund of Funds	15,129,320
Futures contracts, net	<u>(2,496,600)</u>
 Total net appreciation	 92,154,088
 Interest & Other income	 <u>191,239</u>
 Net investment income	 <u>\$ 92,345,327</u>

The following present investments that represented 5% or more of the Master Trust's net assets as of December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Entrust Diversified Select Credit Fund, Ltd. Class C, 200,000 shares	29,037,811	**
Mason Capital LTD, Class E, 56,094 and 56,088 shares, respectively	107,552,638	86,360,994
Farallon Capital Offshore Investors, 4,532,297 shares	*	39,398,906
Titan Masters Funds LLP, 7.58% and 7.76% ownership of fund	27,344,396	24,546,008

* Not 5% in 2009

** Not 5% in 2008

12. CERTIFIED FINANCIAL DATA

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the auditors not to perform any auditing procedures with respect to the information certified by the Trustee, except for comparing such information to the related information included in the financial statements. The Plan Administrator has obtained a certification from the Trustee that the information provided to the Plan Administrator by the Trustee as of December 31, 2009 and 2008, and for the years then ended is complete and accurate. Such information includes all Master Trust investments and Master Trust investment income and loss.

**THE HOURLY EMPLOYEES PENSION PLAN OF ARLON, INC.,
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The following is a summary of the Plan's financial information and data certified by State Street Bank and Trust as of December 31, 2009 and 2008 and from January 1, 2009 through December 31, 2009 as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Net investment income during the year ended December 31, 2009 amounted to \$290,574.

	December 31,	
	2009	2008
Investments, at fair value	\$ 1,575,544	\$1,268,682