

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
---	--	--

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1996</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>04/01/1996</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>04/01/1996</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>VELCON FILTERS, LLC</u> <u>1210 GARDEN OF THE GODS ROAD</u> <u>COLORADO SPRINGS, CO 80907-3410</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>26-4563734</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>719-531-5855</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>333900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>26-4563734</u>	2c Sponsor's telephone number <u>719-531-5855</u>	2d Business code (see instructions) <u>333900</u>	
2b Employer Identification Number (EIN) <u>26-4563734</u>					
2c Sponsor's telephone number <u>719-531-5855</u>					
2d Business code (see instructions) <u>333900</u>					

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

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

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

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") VELCON FILTERS, LLC 1210 GARDEN OF THE GODS ROAD COLORADO SPRINGS, CO 80907-3410		3b Administrator's EIN 26-4563734	
3c Administrator's telephone number 719-531-5855			

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 VELCON FILTERS, INC.		4b EIN 94-1235769	4c PN 002
---	--	-----------------------------	---------------------

5 Total number of participants at the beginning of the plan year	5	122
---	----------	-----

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	117
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	6
d Subtotal. Add lines 6a , 6b , and 6c	6d	123
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	123
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	123
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	4

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

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

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

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

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
--	---

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

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

A Name of plan VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 VELCON FILTERS, LLC	D Employer Identification Number (EIN) 26-4563734

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
CHARLES SCHWAB & CO., INC.
94-1737782

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

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

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

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

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

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

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

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

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

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

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

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

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)

LITMAN/GREGORY

94-3006781

(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?
20	NONE	28251	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CHARLES SCHWAB & CO.

94-1737782

(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?
33 59	NONE	1230	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CHARLES SCHWAB & CO.	59	0
(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.	
ALLIANZ FUNDS 33-0457728	SHAREHOLDER SERVICING FEE PAID BY FUND. RANGE OF 0.30 - 0.35% OF AVERAGE DAILY BALANCE OF ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CHARLES SCHWAB & CO.	59	0
(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.	
JP MORGAN 13-2624428	SHARHOLDER SERVICING FEE PAID BY FUND. RATE OF 0.40% OF AVERAGE DAILY BALANCE OF ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CHARLES SCHWAB & CO.	59	0
(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.	
NATIXIS FUND 04-3200027	SHAREHOLDER SERVICING FEE PAID BY FUND. RATE OF 0.35% OF AVERAGE DAILY BALANCE OF ASSETS.	

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
CHARLES SCHWAB & CO.	59	0
(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.	
OAKMARK 04-3276558	SHAREHOLDER SERVICING FEE PAID BY FUND. RATE OF 0.35% OF AVERAGE DAILY BALANCE OF ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CHARLES SCHWAB & CO.	59	0
(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.	
SCHWAB FUNDS 94-3106735	SHAREHOLDER SERVICING FEE PAID BY FUND. RANGE OF 0.00 - 0.12% OF AVERAGE DAILY BALANCE OF ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CHARLES SCHWAB & CO.	59	0
(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.	
THORNBURG 85-0301299	SHAREHOLDER SERVICING FEE PAID BY FUND. RATE OF 0.50% OF AVERAGE DAILY BALANCE OF ASSETS.	

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
CHARLES SCHWAB & CO.	59	0
(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.	
TOUCHSTONE 31-0487145	SHAREHOLDER SERVICING FEE PAID BY FUND. RATE OF 0.40% OF AVERAGE DAILY BALANCE OF ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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 VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 VELCON FILTERS, LLC	D Employer Identification Number (EIN) 26-4563734	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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 Total noninterest-bearing cash	1a		2634	
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)		250000	
(2) Participant contributions	1b(2)			
(3) Other	1b(3)		44662	57288
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		175558	141776
(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)		345661	380669
(6) Real estate (other than employer real property)	1c(6)			
(7) Loans (other than to participants)	1c(7)		1427429	1350812
(8) Participant loans	1c(8)		53532	54809
(9) Value of interest in common/collective trusts	1c(9)			
(10) Value of interest in pooled separate accounts	1c(10)			
(11) Value of interest in master trust investment accounts	1c(11)			
(12) Value of interest in 103-12 investment entities	1c(12)			
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		5903089	8539754
(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	8202565	10525108

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	254	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	254	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8202311	10525108
---	-----------	---------	----------

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)	250000	
(B) Participants	2a(1)(B)	190954	
(C) Others (including rollovers)	2a(1)(C)	300	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		441254

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	571	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)	114194	
(E) Participant loans	2b(1)(E)	4820	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		119585

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

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

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	40669	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		40669
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2078935
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2680443

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	320947	
(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)		320947
f Corrective distributions (see instructions)	2f		7298
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	1150	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	28251	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		29401
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		357646

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2322797
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: HEIN & ASSOCIATES, LLP

(2) EIN: 84-0749233

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

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

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VELCON FILTERS, LLC</u>	D Employer Identification Number (EIN) <u>26-4563734</u>	

Part I	Distributions
---------------	----------------------

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

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

1	<u>0</u>
----------	----------

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 42-1558009

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
----------	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6

a Enter the minimum required contribution for this plan year	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No

11

a Does the ESOP hold any preferred stock?	☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No

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): _____



VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT AND
SUPPLEMENTAL SCHEDULE**

DECEMBER 31, 2009 AND 2008

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

INDEX

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS:	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS.....	2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	3
NOTES TO FINANCIAL STATEMENTS.....	4
SUPPLEMENTAL SCHEDULE—	
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR) – DECEMBER 31, 2009	18

All other schedules required by Section 2520.103-10 of the United States Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or the information required is disclosed in the financial statements and notes thereto.



INDEPENDENT AUDITOR'S REPORT

October 15, 2010

To the Board of Trustees
Velcon Filters, LLC 401(k) Profit Sharing Plan:

We were engaged to audit the accompanying statement of net assets available for benefits of Velcon Filters, LLC 401(k) Profit Sharing Plan (the "Plan") as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule, as listed in the accompanying index to financial statements. These financial statements and the supplemental schedule are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. Other auditors were engaged to audit the financial statements of the Plan for the year ended December 31, 2008, whose report dated August 20, 2009, disclaimed an opinion on the 2008 financial statements under the provisions of 29 CFR 2520.103-8 of the DOL regulations.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Charles Schwab, the custodian of certain investments of the Plan, except for comparing the information with the related information included in the financial statements and supplemental Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2009. We have been informed by the Plan Administrator that the custodian holds the Plan's investment assets as summarized in Note 3 and executes investment transactions. The Plan Administrator has obtained a certification from the custodian regarding the completeness and accuracy of the investment information provided to the Plan Administrator by the custodian as of and for the year ended December 31, 2009.

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 2009 financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hein & Associates LLP

Certified Public Accountants

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	DECEMBER 31,	
	2009	2008
ASSETS:		
INVESTMENTS, AT FAIR VALUE:		
Cash and cash equivalents	\$ 141,776	\$ 178,192
Mutual funds	8,539,754	5,903,089
Partnership interests	380,669	345,661
Loans (other than to participants)	1,350,812	1,427,429
Participant loans	54,808	53,532
Total investments	<u>10,467,819</u>	<u>7,907,903</u>
RECEIVABLES:		
Employer contributions	—	250,000
Accrued interest	57,288	44,662
Total receivables	<u>57,288</u>	<u>294,662</u>
Total assets	<u>10,525,107</u>	<u>8,202,565</u>
LIABILITIES:		
Corrective distributions	9,089	—
Other liabilities	—	254
Total liabilities	<u>9,089</u>	<u>254</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$10,516,018</u></u>	<u><u>\$ 8,202,311</u></u>

See accompanying notes to these financial statements.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2009

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Interest and dividends	\$ 375,760
Net appreciation in fair value of investments	1,863,429
	<u>2,239,189</u>

Contributions:

Employer	250,000
Participant	191,254
	<u>441,254</u>
Total additions to net assets	<u>2,680,443</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	320,947
Corrective distributions	16,387
Administrative expenses	29,402
Total deductions from net assets	<u>366,736</u>

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	2,313,707
--	-----------

NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>8,202,311</u>
---	------------------

NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 10,516,018</u></u>
---	-----------------------------

See accompanying notes to these financial statements.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN

The following description of the Velcon Filters, LLC 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan document and summary Plan description for a more complete description of the Plan’s provisions, which are available from the Plan administrator.

General – Velcon Filters, LLC is the plan sponsor (the “Company” or “Plan Sponsor”). The Plan is a defined contribution plan covering all permitted classes of employees who elect to participate, have attained at least 21 years of age and have completed one year of service with the Company. An employee is credited with a year of service if, at the end of an employee’s first twelve consecutive months of employment with the Company, an employee has been credited with at least 1,000 hours of service. Employees may enter the Plan on the first day of a quarter, immediately following attainment of the eligibility requirements.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Contributions – Participants may make salary deferral contributions to the Plan not to exceed \$16,500 for the year ended December 31, 2009. If a participant is age 50 or older, the Plan permits deferral of additional amounts (called “catch-up contributions”). The additional amounts may be deferred regardless of any other limitations on the amount that the participant may defer to the Plan. The maximum catch-up contribution that a participant can make in 2009 is \$5,500.

Under the Plan, the Company has the discretion to make matching, profit sharing and qualified non-elective contributions (“QNEC”). A matching contribution is a discretionary percentage of the amount of a participant’s salary deferrals, which percentage the Company determines each year. In order to share in the matching contribution, a participant must be actively employed on the last day of the Plan year and must have completed at least 1,000 hours of service with the Company during the Plan year. If a participant is eligible to share in the matching contribution, the Company will allocate to a participant’s account the matching contribution made to the Plan on his or her behalf at the end of the Plan year.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN (continued)

The Company did not make matching contributions during 2009.

Each year, the Company may make a discretionary profit sharing contribution. The discretionary profit sharing contribution is allocated among participants eligible to share in the contribution for the Plan year based on each participant's compensation relative total compensation of all participants eligible to share in the contribution. In order to share in the profit sharing contribution, a participant must be actively employed on the last day of the Plan year and must have completed at least 1,000 hours of service with the Company during the Plan year. In 2009, the Company made a \$250,000 profit sharing contribution for the 2009 Plan year.

The Company may designate all (or any portion) of the profit sharing contribution as a QNEC. A QNEC is not subject to a vesting schedule so a participant is always 100% vested in any QNECs made on their behalf. No portion of the profit sharing contributions for 2009 was designated as QNEC.

Effective January 1, 2010 the Company signed an adoption agreement for Alliance Benefit Group of Houston, Inc. Non-Standardized 401(k) Profit Sharing Plan (the "Adoption Agreement"). Among other terms, the Adoption Agreement allows 401(k) safe harbor contributions. The Company will make matching contributions to the account of each eligible participant in an amount equal to the sum of 100% of the amount of a participant's elective deferrals that do not exceed 3% of the participant's compensation, plus 50% of the amount of the participant's elective deferrals that exceed 3% of the participant's compensation but do not exceed 5% of the participant's compensation. A safe harbor contribution will be determined each payroll period.

Participant Investment Account Options – Participants direct the investment of their contributions, rollovers from another qualified plan, as well as the Company's matching contribution, if any, into various investment options offered by the Plan. The Plan currently offers various cash equivalents, mutual funds, loans (other than to participants), and partnership interests as investment options for participants. Profit sharing contributions are directed by an investment management company pursuant to a service agreement with the Company.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN (continued)

Participant Accounts – Each eligible participant is credited with their 401(k) deferrals, an allocation of the Company contributions, investment earnings (losses), administrative expenses and forfeitures of terminated participants' non-vested account balances. In addition, investment earnings (losses) are allocated based on individual account balances during the Plan year. The benefits to which a participant is entitled are the benefits which can be provided from the participant's vested account.

Participant Loans – Participant loans are generally granted if a participant incurs financial hardship or has a specified financial need. A participant may borrow at a minimum \$1,000 and the amount is limited to \$50,000 or 50% of the participant's vested account balance, whichever is less. Loans are secured by the vested balances in the participants' accounts and bear interest at prime plus 1%. Principal and interest are repaid ratably through regular payroll deductions. The maximum term for these loans is five years except for a loan to purchase a primary residence, in which case the term may be extended for a longer term. Only one loan is allowed to be outstanding at any one time.

Vesting – A participant is always 100% vested in his or her account attributable to salary deferrals, as well as in rollover contributions and QNEC contributions.

Vesting attributable to a participant's matching and profit sharing contributions is based on years of service with the Company. A participant is credited with a year of service if that participant works at least 1,000 hours for the Company during a Plan year. Matching and profit sharing contributions vest in accordance with the following schedule:

<u>Years of Service</u>	<u>Percent</u>
1	10%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

If a participant is not vested or is partially vested in his or her account balance upon termination of employment with the Company, the non-vested portion of the participant's account balance will be forfeited. Forfeitures of matching contributions are used to reduce the amount the Company must contribute as matching contributions. Forfeitures of profit sharing contributions are reallocated to remaining participants as additional profit sharing contributions.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF THE PLAN (continued)

Forfeited non-vested accounts totaled \$0 and \$2,895 as of December 31, 2009 and 2008, respectively. During 2009, approximately \$4,000 of forfeited non-vested profit sharing contribution amounts were reallocated to remaining participants.

Payment of Benefits – If a participant's vested benefit in the Plan does not exceed \$1,000 (excluding amounts attributable to rollovers), then the participant's benefit must be distributed in a single lump-sum payment as soon as administratively feasible following the event that entitles a participant to a distribution. Otherwise, a participant must consent to the distribution before it may be made, and a participant may elect to receive a distribution as a single lump-sum payment in cash or monthly, quarterly or annual installments over a period of not more than the participant's assumed life expectancy (or the participant's beneficiary's assumed life expectancies). The Plan allows the rollover of all or a portion of the distribution to an Individual Retirement Account or Annuity or another qualified employer plan.

There are rules that require that certain minimum distributions be made from the Plan. If a participant is a 5% owner, distributions are required to begin no later than the first day of April following the end of the year in which a participant reaches age 70 and a half. If a participant is not a 5% owner, distributions are required to begin no later than the first day of April following the later of the end of the year in which a participant reaches age 70 and a half or retires.

A participant may receive a distribution from the Plan prior to his or her termination of employment if he or she satisfies certain conditions described in the Plan document. A participant is limited to a one in-service distribution in any Plan year. The Plan also allows distributions in the event of financial hardship.

Plan Termination – Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Tax Status – The Internal Revenue Service has determined and informed the Company by a letter dated January 6, 2003 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash and cash equivalents are valued at cost, which approximates fair value.

Quoted market prices are used to value mutual funds. Mutual funds are valued at the net asset value of shares held by the Plan at the year-end.

The Plan's partnership interests refer to an investment in a real-estate limited partnership (the "Partnership), which is valued based on the Plan's share of the partners' capital of the Partnership, adjusted upward or downward for the Plan's share of the difference between the carrying value and fair value of the Partnership's rental properties at year-end. Fair value of rental properties is based on recent appraisals of rental properties of the Partnership. The valuation of these properties is determined by management of the Partnership using a multiplier factor applied to the gross rents of each property. The Partnership obtains third party appraisals every two years. From the appraisals the Partnership obtains the multiplier factors it uses to derive estimated fair value. The Partnership evaluates changes in market conditions from appraisal date to year-end and adjusts the multiplier factor as needed. No such adjustments were made to the multiplier used to determine fair value of the rental property as of December 31, 2009.

Loans (other than to participants) and participant loans are carried at amortized cost, which approximates their fair value.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's realized and unrealized gains and losses on investments bought and sold as well as held during the year.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Benefits Payable – Benefits are recorded when paid. Accordingly, benefits payable to persons who have elected to withdraw from the Plan but not yet been paid are not accrued. At December 31, 2009 and 2008, there were no amounts payable to participants.

Administrative Expenses – Administrative expenses may be paid by the Company or the Plan, at the Company's discretion. The Company paid \$26,482 of administrative expenses on behalf of the Plan for 2009.

Recent Accounting Pronouncements – In June 2009, the Financial Accounting Standards Board's (the "FASB") issued guidance on codification and the hierarchy of generally accepted accounting principles (the "Codification"). The Codification superseded all non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. The guidance was effective for annual periods beginning July 1, 2009. The adoption of this guidance did not have a material impact on the Plan's financial statements.

In May 2009, the FASB issued guidance related to "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 and requires disclosure of the date through which an entity has evaluated subsequent events. This guidance is effective for interim and annual periods ending after June 15, 2009. The adoption of this guidance in 2009 did not have a material impact on the Plan's results of operations or financial position. The Plan has evaluated subsequent events through October 15, 2010, the date which the financial statements were available to be issued. See certain subsequent events described in Note 10.

The FASB issued new guidance on accounting for uncertainty in income taxes. The Plan adopted this new guidance for the year ended December 31, 2009. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

**VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

3. INFORMATION CERTIFIED BY THE CUSTODIAN

The following is a summary of the investment information as of December 31, 2009 and 2008, and for the year ended December 31, 2009, included throughout the Plan's financial statements and the supplemental Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2009, that was prepared by or derived from information provided by the custodian and furnished to the Plan administrator. The Plan administrator has obtained a certification from the custodian that information provided to the Plan administrator by the custodian related to the following investments is complete and accurate. Accordingly, as permitted by 29 CFO 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and the aforementioned supplemental schedule related to the following investments:

	DECEMBER 31,	
	2009	2008
INVESTMENTS AT FAIR VALUE:		
Cash and cash equivalents	\$ 141,776	\$ 178,192
Mutual funds	8,539,754	5,903,089
	YEAR ENDED DECEMBER 31, 2009	
INVESTMENT INCOME:		
Net appreciation in fair value of investments	\$ 1,828,421*	
Dividends and interest	256,175	

* entirely relates to mutual funds

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

4. REPORTABLE INVESTMENTS

The following table presents the fair value of the Plan's investments (including participant-directed and nonparticipant-directed balances) that represent 5% or more of the Plan's net assets available for benefits at December 31, 2009 and/or 2008:

	2009	2008
Masters Select Focused Opportunity Fund **	\$ 904,071	\$ 702,381
Prana Income Fund Nine 8% Prom. Note due on 12/31/14	639,284	698,984
Prana Income Fund Ten 6% Prom. Note due on 12/31/16	682,407	697,642
PIMCO Unconstrained Bond Fund Instl. **	996,401	658,450
Masters Select Intl. Fund **	593,976	513,114
T. Rowe Price Instl. High Yield Fund **	674,180	501,052
Masters Select Equity Fund **	714,897	488,277
PIMCO Total Return Fund Instl. **	809,759	480,615
PIMCO Emerging Local Bond Fund Instl. **	651,569	—
Loomis Sayles Bond Fund **	589,235	166,652

The following table presents the nonparticipant-directed portion of the fair value of investments shown above:

	2009	2008
Masters Select Focused Opportunity Fund **	\$ 842,500	\$ 661,136
Prana Income Fund Nine 8% Prom. Note due on 12/31/14	610,371	667,372
Prana Income Fund Ten 6% Prom. Note due on 12/31/16	606,081	619,612
PIMCO Unconstrained Bond Fund Instl. **	829,361	627,582
Masters Select Intl. Fund **	553,680	483,873
T. Rowe Price Instl. High Yield Fund **	647,327	501,052
Masters Select Equity Fund **	656,393	454,890
PIMCO Total Return Fund Instl. **	742,484	446,131
PIMCO Emerging Local Bond Fund Instl. **	588,465	—
Loomis Sayles Bond Fund **	554,485	149,476

** denotes certified investments

Further information on nonparticipant-directed investments is provided in Note 5.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

5. NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the investments not directed by participants is as follows:

	<u>2009</u>	<u>2008</u>
NET ASSETS:		
Mutual funds	\$ 6,908,923	\$ 4,753,536
Loans (other than to participants)	1,295,381	1,317,787
Partnership interests	380,669	345,661
Cash and cash equivalents	96,649	169,590
Employer contributions receivable	—	250,000
Accrued interest	—	38,593
	<u>\$ 8,681,622</u>	<u>\$ 6,875,167</u>
CHANGES IN NET ASSETS:		
Beginning balance	\$ 6,875,167	\$ 9,780,609
Net dividends, interest, gains, losses and administrative fees	1,879,923	(2,409,198)
Contributions	250,000	250,000
Withdrawals, distributions and transfers	(323,468)	(746,244)
	<u>\$ 8,681,622</u>	<u>\$ 6,875,167</u>

6. ALTERNATIVE INVESTMENTS

Loans (Other than to Participants) – The Plan has loans (other than to participants) receivable of \$1,350,812 and \$1,427,429 as of December 31, 2009 and 2008, respectively, from Prana Income Fund Eight, Nine, and Ten bearing a fixed simple annual interest rate of 8%, 8% and 6%, respectively, and maturing December 31, 2011, December 31, 2014, and December 31, 2016, respectively. These income funds, which are managed by Prana Investments, invest in 15 to 35 residential real-estate properties located in transitional, inner-city areas in the New York City, the San Francisco Bay Area and Los Angeles, as well as other major U.S. cities. Some of the properties may include commercial tenants located on the ground floor which may be an important part of the rent roll of that property. The income funds may also invest in from five to 25 short-term mortgage loans secured by similar properties. The income funds may also organize and utilize its affiliates to acquire, finance and sell properties.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

6. ALTERNATIVE INVESTMENTS (continued)

Installment principal payments in the amount of 20% of the original principal amount are due and payable on various end-of-the-year dates specified in the promissory notes. Prepayment of principal is permitted at the discretion of the borrower. On each scheduled date for payment of an installment of principal, income funds shall also pay, in addition to the fixed interest due and payable on such date, any contingent interest that has been earned or is estimated to be earned with respect to the principal amount of the promissory note paid at such time. Certain contingent interest shall be payable by income funds to the extent income funds receive net proceeds from their real properties and the mortgage loans in excess of the amounts necessary to pay the unpaid principal on the promissory notes and any accrued but unpaid fixed interest. Net proceeds is an aggregate of the proceeds from operations, from sale or appreciated value of real properties, from refinancing and from mortgage loans. Income Fund Ten, in addition to contingent interest, may also be obligated to pay bonus contingent interest as defined in the promissory notes.

At December 31, 2009 and 2008, the Plan had accrued interest receivable of \$57,288 and \$44,662, respectively.

Partnership Interests – The Plan holds 3.4 units of Prana Realty Company I, LLC, which is a general partner in City Realty Partners I, L.P. (the “Limited Partnership”). The Limited Partnership was formed on October 31, 2007. The Limited Partnership is engaged in the acquisition, operation and sale of real properties, primarily multifamily rent-controlled buildings located in California and New York. Their portfolio consists of nine residential multi-family properties (185 apartment units and one commercial unit) in New York. The Limited Partnership’s investments in real properties are held in separate wholly-owned limited liability companies. The Limited Partnership also makes mortgage loans to borrowers, all of which are affiliates of the general and limited partner. The Plan’s investment in the Limited Partnership was valued \$380,669 and \$345,661 as of December 31, 2009 and 2008, respectively.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

7. FAIR VALUE MEASUREMENTS

On January 1, 2008, the Plan adopted the fair value provisions under the codification ASC 820-10 Fair Value Measurements (“ASC 820-10”) for its investments. ASC 820-10 establishes a 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). An asset’s or liability’s classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820-10 are described below:

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.

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;
- 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.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 2 (*Valuation of Investments and Income Recognition*) describes the valuation methodologies used for the Plan’s assets measured at fair value. There have been no changes in methodologies at December 31, 2009 and 2008.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

7. FAIR VALUE MEASUREMENTS (continued)

The methods described in Note 2 (*Valuation of Investments and Income Recognition*) may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine 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 Plan's assets at fair value as of December 31, 2009 and 2008:

DECEMBER 31, 2009	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Cash and cash equivalents and mutual funds	\$ 8,681,530	\$ —	\$ —	\$ 8,681,530
Partnership interests	—	—	380,669	380,669
Loans (other than to participants)	—	—	1,350,812	1,350,812
Participant loans	—	—	54,808	54,808
Total	<u>\$ 8,681,530</u>	<u>\$ —</u>	<u>\$ 1,786,289</u>	<u>\$ 10,467,819</u>
DECEMBER 31, 2008	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Cash and cash equivalents and mutual funds	\$ 6,081,281	\$ —	\$ —	\$ 6,081,281
Partnership interests	—	—	345,661	345,661
Loans (other than to participants)	—	—	1,427,429	1,427,429
Participant loans	—	—	53,532	53,532
Total	<u>\$ 6,081,281</u>	<u>\$ —</u>	<u>\$ 1,826,622</u>	<u>\$ 7,907,903</u>

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

7. FAIR VALUE MEASUREMENTS (continued)

The following is a reconciliation of Level 3 investments for the year ended December 31, 2009.

	PARTNERSHIP INTERESTS	LOANS (OTHER THAN TO PARTICIPANTS)	PARTICIPANT LOANS	TOTAL
Balance, beginning of year	\$ 345,661	\$ 1,427,429	\$ 53,532	\$1,826,622
Realized gain (loss)	—	—	—	—
Unrealized gain (loss)	35,008	—	—	35,008
Purchases, sales, issuances, and settlements (net)	—	(76,617)	1,276	(75,341)
Balance, end of year	<u>\$ 380,669</u>	<u>\$ 1,350,812</u>	<u>\$ 54,808</u>	<u>\$1,786,289</u>

The unrealized gain related to the partnership interests is reflected in the net appreciation in fair value of investments in the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2009.

8. PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in mutual funds and cash equivalents managed by Charles Schwab, the custodian of these investment assets as described in Note 3. Transactions in such investments qualify as party-in-interest transactions which are exempt from ERISA's prohibited transaction rules. These transactions are identified in Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) at December 31, 2009.

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statement of net assets available for benefits.

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

9. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits from the accompanying financial statements to the Form 5500 at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Net assets available for benefits from the accompanying financial statements	\$10,516,018	\$8,202,311
Add: corrective distributions payable	<u>9,089</u>	<u>—</u>
Net assets available for benefits from the Form 5500	<u><u>\$10,525,107</u></u>	<u><u>\$8,202,311</u></u>

The following is a reconciliation of a change in net assets available for benefits from the accompanying financial statements to the Form 5500 for the year ended December 31, 2009:

Net change in net assets available for benefits from the accompanying financial statements	\$2,313,707
Add: corrective distributions	<u>9,089</u>
Net change in net assets available for benefits from the Form 5500	<u><u>\$2,322,796</u></u>

A difference between the accompanying financial statements and the Form 5500 is because the Form 5500 is not prepared on the same basis of accounting as the accompanying financial statements.

10. SUBSEQUENT EVENTS

In 2010, the Company terminated recordkeeping and compliance services of Milliman and replaced with Great-West Retirement Services (“Great-West”). Accordingly, the Company transferred all the Plan assets previously held by Charles Schwab to Great West. During 2010, the custodial function of the Plan’s investment in loans (other than to participants) and partnership interests was transferred to ABG Alliance Benefit Group.

SUPPLEMENTAL SCHEDULE

VELCON FILTERS, LLC
401(K) PROFIT SHARING PLAN

SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 26-4563734 – PLAN No. 002

DECEMBER 31, 2009

(a) (b) (c) IDENTITY OF ISSUER/DESCRIPTION OF INVESTMENT/ MATURITY DATE/RATE OF INTEREST	(d) COST	(e) CURRENT VALUE
* Charles Schwab (Cash and Cash equivalents)	\$ 141,776	\$ 141,776
Brandywine Blue Fund	111,608	78,270
Constellation Sands Capital Select Growth Fund	23,414	29,394
Fairholme Fund	85,099	98,132
JP Morgan High Yield Fund	214,433	280,312
Longleaf Partners Fund	11,265	9,346
Loomis Sayles Bond Fund	510,878	589,235
Masters Select Equity Fund	745,673	714,897
Masters Select Focused Opportunity Funds	1,052,957	904,071
Masters Select International Fund	643,772	593,976
Masters Select Value Fund	220,067	213,853
Oakmark Global Fund Class I	117,037	120,980
Oakmark Select Fund	96,679	127,482
Osterweis Strategic Income Fund	446,991	437,467
PIMCO Developing Local Markets Fund	2,505	2,528
PIMCO Emerging Local Bond Fund	621,250	651,569
PIMCO Total Return Class D Fund	237,702	240,422
PIMCO Total Return Fund Institutional	792,908	809,759
PIMCO Unconstrained Bond Fund Class D	12,628	13,287
PIMCO Unconstrained Bond Fund Institutional	931,989	996,401
* Schwab 1000 Index Fund – Investor Shares	337,229	342,073
* Schwab Retirement Advantage Money Fund	279,812	279,812
T. Rowe Price Institutional High Yield Fund	515,874	674,180
Thornburg International Value Fund Class A	268,645	241,175
Touchstone Sands Capital Institutional Fund	69,109	69,065
Vanguard Emerging Markets Stock ETF	16,834	21,976
Prana Realty Company I – Partnership Interests	340,000	380,669
Prana Income Fund Ten – 6% Due on 12/31/2016	682,407	682,407
Prana Income Fund Eight – 8% Due on 12/31/2011	29,122	29,213
Prana Income Fund Nine – 8% Due on 12/31/2014	639,284	639,284
* Participant loans (Interest rates range from 4.25% to 9.25% at December 31, 2009)	54,808	54,808
Total investments	<u>\$ 10,253,755</u>	<u>\$10,467,819</u>

* Denotes party-in-interest

All investment information, except for Prana-related investments and participant loans, was certified as complete and accurate by Charles Schwab, the custodian of the certified Plan assets.

See accompanying independent auditor's report.

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

Plan Name VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN

EIN: 26-4563734

Plan Sponsor's Name VELCON FILTERS, LLC

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Brandywine Blue Fund	Mutual Fund	111,608	78,270
	Constellatin Sands Capital	Mutual Fund	23,414	29,394
	Fairholme Fund	Mutual Fund	85,099	98,132
	JP Morgan High Yield	Mutual Fund	214,433	280,312
	Longleaf Partners Fund	Mutual Fund	11,265	9,346
	Loomis Sayles Bond Fund	Mutual Fund	510,878	589,235
	Masters Select Equity Fund	Mutual Fund	745,673	714,897

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

Plan Name VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN

EIN: 26-4563734

Plan Sponsor's Name VELCON FILTERS, LLC

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Masters Select Focused Oppt	Mutual Fund	1,052,957	904,071
	Masters Select Intl Fund	Mutual Fund	643,772	593,976
	Masters Select Value Fund	Mutual Fund	220,067	213,853
	Oakmark Global Fund Class I	Mutual Fund	117,037	120,980
	Oakmark Select Fund	Mutual Fund	96,679	127,482
	Osterweis Strategic Inc Fd	Mutual Fund	446,991	437,467
	PIMCO Developing Local Mkts	Mutual Fund	2,504	2,527

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

Plan Name VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN

EIN: 26-4563734

Plan Sponsor's Name VELCON FILTERS, LLC

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PIMCO Emerging Local Bd Fd	Mutual Fund	621,250	651,569
	PIMCO Total Return Class D	Mutual Fund	237,702	240,422
	PIMCO Total Return Fund Ins	Mutual Fund	792,908	809,759
	PIMCO Uncon Bond Fund Cl D	Mutual Fund	12,628	13,287
	PIMCO Uncon Bond Fund Instl	Mutual Fund	931,989	996,401
*	Schwab 1000 Index Fund-Inv	Mutual Fund	337,229	342,073
*	Schwab Ret Adv Money Fund	Mutual Fund	279,812	279,812

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

Plan Name VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN

EIN: 26-4563734

Plan Sponsor's Name VELCON FILTERS, LLC

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	T. Rowe Price Instl High Yd	Money Market Fund	515,874	674,180
	Thornburg Intl Val Fd Cl A	Mutual Fund	268,645	241,175
	Touchstone Sands Cp Instl	Mutual Fund	69,109	69,065
	Vanguard Emerging Mskt Stck	EFT	16,834	21,976
	Prana Realty Company I	Limited Partnership	340,000	380,669
	Prana Income Fund Ten	Commercial Loan 6% - Due 12/31/2016	682,407	682,407
	Prana Income Fund 8	Commercial Loan 8% - Due 12/31/2011	29,122	29,122

[illegible]

Plan Name	VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN	EIN:	26-4563734
Plan Sponsor's Name	VELCON FILTERS, LLC	PN:	002

[illegible]

Attachment to 2009 Form 5500
Schedule H, line 4j - Schedule of Reportable Transactions

Plan Name VELCON FILTERS, LLC 401(K) PROFIT SHARING PLAN

EIN: 26-4563734

Plan Sponsor's Name VELCON FILTERS, LLC

PN: 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
	3 Purchases							
Osterweis Strategic Income		426,478	0	0	0	426,478	426,478	0
	7 Purchases							
PIMCO Emerging Local Bond Inst		581,840	0	0	0	581,840	581,840	0
	40 Purchases							
Vanguard Emergin Market ETF		352,739	0	0	0	352,739	352,739	0
	1 Sale							
Vanguard Emergin Market ETF		0	468,006	0	0	352,739	468,006	115,267