

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 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2008</u> and ending <u>12/31/2008</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>PALL SECTION 1165(E) RETIREMENT AND SAVINGS PLAN FOR THE PR EES. OF THE PALL CORPORATION</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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/2000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/2000</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/2000</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>PALL LIFE SCIENCES PUERTO RICO, LLC</u> <u>ROAD 194, PALL BLVD 98</u> <u>FAJARDO, PR 00738</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>66-0676343</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>787-863-1124</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>66-0676343</u>	2c Sponsor's telephone number <u>787-863-1124</u>	2d Business code (see instructions) <u>541990</u>	
2b Employer Identification Number (EIN) <u>66-0676343</u>					
2c Sponsor's telephone number <u>787-863-1124</u>					
2d Business code (see instructions) <u>541990</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.	11/11/2010	JAMES PORRETTO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PALL LIFE SCIENCES PUERTO RICO, LLC ROAD 194, PALL BLVD 98 FAJARDO, PR 00738	3b Administrator's EIN 66-0676343 3c Administrator's telephone number 787-863-1124
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name PALL DE PUERTO RICO, INC.	4b EIN 66-0327905 4c PN 001
5 Total number of participants at the beginning of the plan year	5 1066
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 930
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 102
d Subtotal. Add lines 6a , 6b , and 6c	6d 1032
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 1032
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 798
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

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

9a Plan funding arrangement (check all that apply)	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	(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 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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008		
A Name of plan PALL SECTION 1165(E) RETIREMENT AND SAVINGS PLAN FOR THE PR EES. OF THE PALL CORPORATION	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PALL LIFE SCIENCES PUERTO RICO, LLC	D Employer Identification Number (EIN) 66-0676343	

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)	100361	46281
(2) Participant contributions	1b(2)	176735	73894
(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)	409144	510958
(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)		
(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)	5899566	5732685
(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	6585806	6363818

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6585806	6363818
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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)	501837	
(B) Participants	2a(1)(B)	912626	
(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)		1414463

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)	32915	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		32915

(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)		
(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)		-1456527
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-9149

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	190677	
(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)		190677
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	22162	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		22162
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		212839

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-221988
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: KPMG, LLP

(2) EIN: 13-5565207

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.).....	☒	☐	392266
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	☐	☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	☐	☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	1500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☐	☐	

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)



**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Financial Statements and Supplemental Schedules

December 31, 2008 and 2007

(With Independent Auditors' Report Thereon)



KPMG LLP
American International Plaza
Suite 1100
250 Muñoz Rivera Avenue
San Juan, PR 00918-1819

Independent Auditors' Report

The Plan Administrator
Pall Section 1165(e) Retirement and Savings Plan
for the Puerto Rico Employees of the Pall Corporation:

We were engaged to audit the accompanying statements of net assets available for benefits of Pall Section 1165(e) Retirement and Savings Plan for the Puerto Rico Employees of the Pall Corporation (the Plan) as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2008 and schedule H, line 4a – schedule of delinquent participant contributions for the year ended December 31, 2008. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the U.S. 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 to the financial statements, which was certified by Community Bank N.A., the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2008 and 2007, and for the years then ended, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the 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 U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

KPMG LLP

October 15, 2010

Stamp No. 2530791 of the Puerto Rico
Society of Certified Public Accountants
was affixed to the record copy of this report.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Statements of Net Assets Available for Benefits

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets:		
Investments, as certified by the custodian (note 3)	\$ 5,732,685	\$ 5,899,566
Participant loans	<u>510,958</u>	<u>409,144</u>
Receivables:		
Participants' contributions	73,894	176,735
Employer's contributions	<u>46,281</u>	<u>100,361</u>
Total receivables	<u>120,175</u>	<u>277,096</u>
Net assets available for benefits	<u>\$ 6,363,818</u>	<u>\$ 6,585,806</u>

See accompanying notes to financial statements.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Statements of Changes in Net Assets Available for Benefits
Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Additions:		
Additions to assets attributed to:		
Investment (loss) income :		
Net (depreciation) appreciation in fair value of investments	\$ (1,687,898)	284,509
Interest and dividends	264,286	227,828
Net investment (loss) income	<u>(1,423,612)</u>	<u>512,337</u>
Contributions:		
Participants	912,626	817,525
Employer	501,837	439,607
Rollover from participants	—	21,602
Contributions	<u>1,414,463</u>	<u>1,278,734</u>
Total (deductions) additions	<u>(9,149)</u>	<u>1,791,071</u>
Deductions from assets attributed to:		
Benefits paid to participants	190,677	360,517
Administrative expense	22,162	2,372
Total deductions	<u>212,839</u>	<u>362,889</u>
Net (decrease) increase	<u>(221,988)</u>	<u>1,428,182</u>
Net assets available for benefits:		
Beginning of year	<u>6,585,806</u>	<u>5,157,624</u>
End of year	<u>\$ 6,363,818</u>	<u>6,585,806</u>

See accompanying notes to financial statements.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

(1) Description of Plan

The following description of the Pall Section 1165(e) Retirement and Savings Plan for the Puerto Rico Employees of the Pall Corporation (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan for nonunion employees who have completed three months of service with Pall Life Sciences Puerto Rico, LLC (the Company or the Sponsor). The Plan was adopted by the Company and was effective as of July 1, 2000. The Plan is administered by a management committee appointed by Pall Corporation (the Parent Company of the Sponsor). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) Administration of the Plan

The Plan is administered by UBS Trust Company of Puerto Rico (the Trustee) under the terms of a trust agreement entered into between the Sponsor and the Trustee.

The Plan requires that participants select the investment funds into which their accounts are invested. The participant may select from six investment funds for the years ended December 31, 2008 and 2007.

(c) Contributions

Participants may contribute, on either a pretax or after-tax basis, specified percentages of their compensation to the Plan subject to the Puerto Rico Internal Revenue Code of 1994 (the Code).

The Act No. 186 of August 7, 2008 amended Section 1165(e) of the Puerto Rico Code to gradually increase the maximum allowable contribution as follows:

	<u>Amount</u>
For tax years up to:	
2008	\$ 8,000
2009 and 2010	9,000
2011 and 2012	10,000
2013 and thereafter	12,000

Additionally, the Plan provides an employer-matching component. The employer matches 100% of the participant's contribution up to a maximum of 2.5% of compensation subject to the plan limitation of \$3,000.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

Any excess funds resulting from a forfeiture of all or any portion of the account of a participant or former participant under circumstances that do not entitle the participant, former participant, his/her spouse, or beneficiary to the full amount of his/her account under the plan agreement, shall not be applied to increase the benefits payable to any other participant, spouse, or beneficiary, but shall remain in the trust fund and shall have the effect of reducing the amount of any subsequent contributions to the Plan by the Company.

(d) *Participant Accounts*

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

(e) *Vesting*

Participants are immediately vested in their contributions, plus actual earnings thereon, and become 100% vested in company contributions and earnings thereon, upon completion of three years of service in schedule.

(f) *Payment of Benefits*

On termination of service due to death, disability, or retirement at age 65, a participant may elect to receive either a lump-sum amount equal to the vested portion of his/her account, or monthly installments over an extended period. In addition, a participant may elect to receive a withdrawal in the event of financial hardship in accordance with the terms of the Plan.

(g) *Forfeited Accounts*

At December 31, 2008 and 2007, forfeited nonvested accounts totaled \$18,742 and \$36,469, respectively. These accounts will be used to reduce future employer contributions. No forfeited nonvested accounts were used to reduce employer contributions for the years ended December 31, 2008 and 2007.

(h) *Administrative Expenses*

Administrative expenses are paid by the Plan if not paid by the Company. In 2008, the Plan and the Company paid and absorbed \$22,162 and \$73,814 in administrative expenses, respectively. In 2007, the Plan and the Company paid and absorbed \$2,372 and \$77,642 in administrative expenses, respectively.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

(i) Participant Loans

Participants may borrow against their vested account balance a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance whichever is lower. The loans are secured by the balance in the participant account. The repayment period varies depending on the type of the loan. General-purpose loans must be repaid within a five-year period with longer repayment terms permitted for primary residence loans. Interest is charged at a rate equivalent to that charged by financial institutions for comparable loans at the time the loan is made. Outstanding participants' loans as of December 31, 2008 and 2007 amount to \$510,958 and \$409,144, respectively, at rates ranging between 6% and 9.25%.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(c) Fair Value Measurements

On January 1, 2008, the Plan adopted the provisions of Financial Accounting Standards Board Statement No. 157 (Statement 157), *Fair Value Measurements*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 defines fair value as 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. Statement 157 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The Plan's investments are stated at fair value, other than participant loans based on quoted market values. Quoted market prices are used to value investments, including shares of registered investment companies.

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

(d) Participant Loans

Participant loans are carried at amortized cost plus any accrued but unpaid interest, which approximates fair value.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

(e) *Payment of Benefits*

Benefits are recorded when paid.

(f) *Risk and Uncertainties*

Participants may direct investment of their account balances in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 the amounts reported in the statements of asset available for benefits.

(g) *Recent Accounting Standards Impacting the Plan*

In May 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 165, Subsequent Events (SFAS No. 165). SFAS No. 165 established 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. In particular, SFAS No. 165 sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. In addition, an entity is required to disclose the date through which subsequent events have been evaluated. SFAS No. 165 is to be applied prospectively and is effective for interim or annual financial periods ending after June 15, 2009.

(3) *Information Certified by Custodian (Unaudited)*

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained certification from Community Bank N.A., the custodian of the Plan, as of December 31, 2008 and 2007, and for the years then ended, that the information provided to the plan administrator by the plan custodian is complete and accurate, including the related investment activity reflected in the statements of changes in assets available for plan benefits for the years ended December 31, 2008 and 2007.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

The following table presents the fair values of investments and outstanding balances of participant loans certified by the custodian as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Shares in registered investment companies, at fair value:		
AIM Constellation Fund, 15,694 and 12,627 shares*	\$ 264,290	370,868
AIM Large Cap Growth A Fund, 72,168 and 58,388 shares*	593,224	774,817
AIM International Equity Fund, 45,768 and 39,101 shares*	849,920	1,252,811
Federated Prime Cash Obligation Fund, 1,399,502 and 984,829 shares*	1,399,503	984,829
PIMCO Total Return Fund, 177,629 and 135,287 shares*	1,801,162	1,446,220
Dreyfus S&P 500 Fund, 32,683 and 25,883 shares*	824,586	1,070,021
Participants' loans*	510,958	409,144
	<u>\$ 6,243,643</u>	<u>6,308,710</u>

* Represents investments over 5% of the Plan's net assets available for plan benefits.

During 2008 and 2007, the Plan's investments in shares of registered investment companies (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value by \$(1,687,898) and \$284,509, respectively. Investment income from interests and dividends amounted to \$264,286 and \$227,828 for the years ended December 31, 2008 and 2007, respectively.

(4) Fair Value Measurements (Unaudited)

Statement 157 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by Statement 157, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The assets or liabilities 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.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

The following table presents the Plan's assets measured at fair value on a recurring basis at December 31, 2008:

Fair value measurements at reporting date using				
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	December 31, 2008			
Assets:				
Registered investment companies	\$ 510,958	—	—	510,958
Participant loans	5,732,685	5,732,685	—	—
	<u>\$ 6,243,643</u>	<u>5,732,685</u>	<u>—</u>	<u>510,958</u>
				Level 3 assets participant loans
Balance as of January 1, 2008				\$ 409,144
Issuances, repayments, and settlements, net				101,814
Balance as of December 31, 2008				<u>\$ 510,958</u>

(5) Plan Termination

Although it has not expressed any intent 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% vested in their employer contributions.

(6) Tax Status

The Puerto Rico Department of the Treasury has determined and informed the Company by determination letter dated January 18, 2002, that the Plan and related trust are designed in accordance with applicable provisions of the Code and, therefore, are exempt from income taxes. In the opinion of the plan administrator, the Plan and its related trust are designed and are currently being operated within the terms of the Plan and remain qualified under the applicable provisions of the Code.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Notes to Financial Statements

December 31, 2008 and 2007

(7) Prohibited Transaction – Participants’ Contributions Remittances

In accordance with the Department of Labor’s Regulation 2510.3-102, an employer is required to segregate participants’ contribution from its general assets as soon as practical, but in no event more than the 15th business day following the end of the month in which amounts are contributed by participants or withheld from their wages for a benefit plan such as the Plan. The Plan failed to timely remit participants’ contributions withheld for two months of the year ended December 31, 2008 and 1 month of the year ended December 31, 2007. The Plan has agreed to absorb any costs incurred by the Plan as a result of the untimely remittances of the participants’ contributions. Total interest lost on late deferrals amounted to \$451 and \$52 for the years ended December 31, 2008 and 2007, respectively. The Company intends to take the appropriate corrective actions to remedy these issues as soon as practicable in full compliance with all governmental regulations.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2008

(a)	(b) Identity of issuer, borrower, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, parts, or maturity value	(d) Cost	(e) Current value
		Shares of registered investment companies:		
	AIM	AIM Constellation Fund, 15,694 shares	N/A	\$ 264,290
	AIM	AIM Large Cap Growth A Fund, 72,168 shares	N/A	593,224
	AIM	AIM International Equity Fund, 45,768 shares	N/A	849,920
	Federated	Federated Prime Cash Obligation Fund, 1,399,502 shares	N/A	1,399,503
	PIMCO	PIMCO Total Return Fund, 177,629 shares	N/A	1,801,162
	Dreyfus	Dreyfus S&P 500 Fund, 32,683 shares	N/A	824,586
*	Plan participants	217 participant loans at interest rates between 6% and 8.75% terms ranging from 1 to 5 years	—	510,958
		Total investments		\$ <u>6,243,643</u>

* Represents a party in interest

Note: The data included above is based upon information that has been certified as complete and accurate by the custodian.

N/A: Not applicable since all investment are participant directed.

See accompanying independent auditors' report.

**PALL SECTION 1165(e) RETIREMENT AND SAVINGS PLAN
FOR THE PUERTO RICO EMPLOYEES OF
THE PALL CORPORATION**

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions

Year ended December 31, 2008

(a) Identity of party involved	(b) Relationship to the Plan, employer, or other party in interest	(c) Description of transaction, including rate of interest	(d) Amount on line 4a	(e) Lost interest
Pall Life Sciences Puerto Rico, LLC	Plan sponsor	2008 employee deferrals not deposited to the Plan in a timely manner. Interest rate of 7%	\$ 263,441	\$ 451
Pall Life Sciences Puerto Rico, LLC	Plan sponsor	2007 employee deferrals not deposited to the Plan in a timely manner. Interest rate of 7%	\$ 128,825	\$ 52

See accompanying independent auditors' report.

**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.

► **File as an Attachment to Form 5500.**

Official Use Only

OMB No. 1210-0110

2008

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

For calendar plan year 2008 or fiscal plan year beginning , and ending ,

A Name of plan PALL 1165E RETIREMENT AND SAVINGS PLAN FOR THE PR	B Three-digit plan number ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PALL LIFE SCIENCES PUERTO RICO, LLC	D Employer Identification Number 66-0676343

Part I Service Provider Information (see instructions)

- 1** Enter the total dollar amount of compensation paid by the plan to all persons, other than those listed below, who received compensation during the plan year: **1** 0
- 2** On the first item below list the contract administrator, if any, as defined in the instructions. On the other items, list service providers in descending order of the compensation they received for the services rendered during the plan year. List only the top 40. 103-12 IEs should enter N/A in (c) and (d).

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
		CONTRACT ADMINISTRATOR				12
BENEFIT PLAN ADMINISTRATIVE SERV	16-1503696	RECORDKEEPER				
NONE	0	22162				15

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. v11.3 Schedule C (Form 5500) 2008

1 0 0 8 6 6 0 1 0 M



(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position	
(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)

1 0 0 8 6 6 0 2 0 N



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

(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

(a) Name _____ (b) EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____



**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 sections 104 and 4065 of the
Employee Retirement Security Act of 1974 (ERISA) and section 6058(a) of the
Internal Revenue Code (the Code).

► **File as an Attachment to Form 5500.**

Official Use Only

OMB No. 1210-0110

2008

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

For calendar year 2008 or fiscal plan year beginning _____, and ending _____,

A Name of plan PALL 1165E RETIREMENT AND SAVINGS PLAN FOR THE PR	B Three-digit plan number ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PALL LIFE SCIENCES PUERTO RICO, LLC	D Employer Identification Number 66-0676343

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1 \$ 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 66-0532499	
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 7.

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 ► 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.

6a 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 7 and 8 and complete line 9.

7 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

8 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. (See instructions) ☐ Increase ☐ Decrease ☐ No

Part IV Coverage (See Instructions.)

9 Check the box for the test this plan used to satisfy the coverage requirements . . . ☐ the ratio percentage test ☐ average benefit test

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. v11.3 Schedule R (Form 5500) 2008

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Pall Corporation

25 Harbor Park Drive
Port Washington, NY 11050

516.484.3600 phone
516.801.9643 fax
www.pall.com

November 9, 2010

EBSA
Attention: EFAST
3833 Greenway Drive
Lawrence, KS 66046-5502

Subject: Form 5500 filing for the PALL Section 1165(e) Retirement and Savings Plan
for the Puerto Rico Employees of the PALL Corporation;
EIN 66-0676343, PN 001.

Dear Sir or Madam,

Enclosed please find amended Form 5500 filings with respect to the above-captioned Plan for Plan years ended December 31, 2006, December 31, 2007, December 31, 2008, and December 31, 2009, respectively. The previously filed Form 5500's have been amended as follows:

Plan Year Ending December 31, 2006

- Form 5500: Amended to reflect the correct Plan Sponsor's Name
- Form 5500 - Schedule H: Minor Revisions
- Audited financial statements not previously provided with Form 5500

Plan Year Ending December 31, 2007

- Form 5500: Amended to reflect the correct Plan Sponsor's Name
- Form 5500 - Schedule H: Minor Revisions
- Audited financial statements not previously provided with Form 5500

Plan Year Ending December 31, 2008

- Form 5500: Amended to reflect the correct Plan Sponsor's Name
- Form 5500 - Schedule C: This form was previously omitted
- Form 5500 - Schedule H: Minor Revisions
- Audited financial statements not previously provided with Form 5500



Plan Year Ending December 31, 2009

- Form 5500: Amended to reflect the correct Plan Sponsor's Name
- Revised audited financial statements to reflect a footing error in the total of the assets at the beginning of the year

We became aware of the omission of audited financial statements with respect to the 2006-2008 Plan year 5500s in connection with preparation of the Form 5500 of the Plan for the year ended December 31, 2009. The 5500s for the Plan for 2006 – 2008 had been prepared by the Human Resource Department of the Plan sponsor's local office in Puerto Rico and the omissions appear to have resulted from miscommunications between the independent auditing firm for the Plan, the Plan's third-party recordkeeper, and that Human Resource Department. As a result of these errors, we have shifted the responsibility for completing and filing Form 5500s with respect to the Plan to our Corporate Headquarters located in Port Washington, NY. We believe this will prevent errors from occurring with respect to future filings, as the filings will be overseen by our Corporate Benefits Department and Finance Department which have much more experience in preparing and filing Form 5500s than does the Human Resource Department in our Puerto Rico office.

In the course of a post-filing review of the Plan's 2009 Form 5500, we noticed that the name of the Plan sponsor was incorrectly stated. Accordingly, the enclosed amendments to each of the 2006-2009 Form 5500s correct the name of the Plan sponsor and make other minor adjustments detected in the course of such review.

If you have any questions, please contact me at 516.801.9928.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bernard M. Lipman".

Bernard M. Lipman
Benefits Manager
Pall Corporation

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

PALL 1165(E) RETIREMENT AND SAVINGS PLAN FOR THE PR EMPLOYEES OF PALL

► CORPORATION

Employer Identification Number: ► 66-0676343

For plan year (beginning/ending): ► 01/01/2008-12/31/2008

Plan number: ► 001

(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
	EMPLOYEE LOANS	Participant Loans, Various Rates	**	510,958
	AIM CONSTELLATION FUND	Registered Investment Company	**	264,290
	AIM INTERNATIONAL EQUITY FUND	Registered Investment Company	**	849,920
	AIM LARGE CAP GROWTH A	Registered Investment Company	**	593,224
	DREYFUS S & P 500 INDEX FUND	Registered Investment Company	**	824,586
	FEDERATED PRIME OBLIG SS	Registered Investment Company	**	1,399,503
	PIMCO TOTAL RETURN ADMIN	Registered Investment Company	**	1,801,162