# 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**

## Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2007 and ending 12/31/2007

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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
PALL SECTION 1165(E) RETIREMENT AND SAVINGS PLAN FOR THE PR EES. OF THE PALL CORPORATION

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/2000

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
PALL LIFE SCIENCES PUERTO RICO, LLC

ROAD 194, PALL BLVD 98
FAJARDO, PR 00738

**2b** Employer Identification Number (EIN)
66-0676343

**2c** Sponsor's telephone number
787-863-1124

**2d** Business code (see instructions)
541990

**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

**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** | 1096 |
| **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** | 967 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 99 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 1066 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 1066 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 816 |
| **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)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | 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)** | X | 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)** | X | **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)** | X | | **H** (Financial Information) |
| **(2)** | | | **I** (Financial Information – Small Plan) |
| **(3)** | | 0 | **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 01/01/2007 and ending 12/31/2007

**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

**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) | 30176 | 100361 |
| **(2)** Participant contributions | 1b(2) | 52865 | 176735 |
| **(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) | 250048 | 409144 |
| **(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) | 4824535 | 5899566 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(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 | 5157624 | 6585806 |
| | **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 through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 5157624 | 6585806 |

## 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) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 439607 | |
| | **(B)** Participants | 2a(1)(B) | 817525 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 21602 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1278734 |
| **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) | 20439 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 20439 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (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) | | 491898 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1791071 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 360517 | |
| (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) | | 360517 |
| **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) | 2372 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 2372 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 362889 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | 1428182 |
| **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) [X] Disclaimer (4) [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] 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.) | 4a | X | | 128825 |
| **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.) | 4b | | 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.) | 4c | | 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.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 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? | 4f | | 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? | 4g | | 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? | 4h | | 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.) | 4i | 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.) | 4j | | 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? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | 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. | 4n | | | |

**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, 2007 and 2006

(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, 2007 and 2006, 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, 2007 and the schedule H, line 4a – schedule of delinquent participant contributions for the year ended December 31, 2007. 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 and for the years ended as of December 31, 2007 and 2006, 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 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 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. 2530792 of the Puerto Rico
Society of Certified Public Accountants
was affixed to the record copy of this report.

KPMG LLP, is Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

**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, 2007 and 2006

| | 2007 | 2006 |
|---|---|---|
| Assets: | | |
| Investments, as certified by the custodian (note 3) | $ 5,899,566 | $ 4,824,535 |
| Participant loans | 409,144 | 250,048 |
| Receivables: | | |
| Participants' contributions | 176,735 | 52,865 |
| Employer's contributions | 100,361 | 30,176 |
| Total contributions | 277,096 | 83,041 |
| Net assets available for benefits | $ 6,585,806 | $ 5,157,624 |

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, 2007 and 2006

| | 2007 | 2006 |
|---|---|---|
| Additions: | | |
| Additions to assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ 284,509 | $ 300,686 |
| Interest and dividends | 227,828 | 141,988 |
| Net investment income | 512,337 | 442,674 |
| Contributions: | | |
| Participants | 817,525 | 637,806 |
| Employer | 439,607 | 353,760 |
| Rollover from participants | 21,602 | 540,132 |
| Contributions | 1,278,734 | 1,531,698 |
| Total additions | 1,791,071 | 1,974,372 |
| Deductions from assets attributed to: | | |
| Benefits paid to participants | 360,517 | 154,256 |
| Administrative expenses | 2,372 | 2,248 |
| Total deductions | 362,889 | 156,504 |
| Net increase | 1,428,182 | 1,817,868 |
| Net assets available for benefits: | | |
| Beginning of year | 5,157,624 | 3,339,756 |
| End of year | $ 6,585,806 | $ 5,157,624 |

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, 2007 and 2006

## (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 Puerto Rico, Inc., Pall Biomedical, Inc., or Pall Netherlands B.V. (predecessor entities). Upon a series of reorganizations during the year ended December 31, 2006, all employees of the predecessor entities were transferred to Pall Life Sciences of 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 Parent Company of 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 account is invested. The participant may select from six investment funds for the years ended December 31, 2007 and 2006.

### *(c) Contributions*

Participants may contribute, on either a pretax or after-tax basis, specified percentages of his/her compensation to the Plan subject to the Puerto Rico Internal Revenue Code of 1994 (the Code), as amended, with a limitation of $8,000. Additionally, the Plan provides an employer-matching component. The employer matches 100.0% of the participant's contribution up to a maximum of 2.5% of compensation subject to the Plan limitation of $3,000.

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 participant's contribution, (b) the Company's contribution, (c) plan earnings (losses), and (d) expenses. Allocations of the Plan's earnings (losses) are based on participant account balances.



(Continued)

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, 2007 and 2006, forfeited nonvested accounts totaled $36,469 and $31,114, 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, 2007 and 2006.

***(h) Administrative Expenses***

Administrative expenses are paid by the Company if not paid by the Plan. For the year ended December 31, 2007, the Plan and the Company paid $2,372 and $77,642 in administrative expenses, respectively. For the year ended December 31, 2006, the Plan and the Company paid $2,248 and $64,856 in administrative expenses, respectively.

***(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 50.0% 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 repayments 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, 2007 and 2006 amount to $409,144 and $250,048, respectively, at rates ranging between 8.25% 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) Investments Valuation and Income Recognition***

The Plan's investments, other than participant loans, are stated at fair value 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.

***(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 change could materially affect the amounts reported in the statements of asset available for benefits.

***(g) Recent Accounting Standards Impacting Plan***

Effective January 1, 2007, the Plan adopted Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 establishes financial accounting and disclosure requirements for recognition and measurement of tax positions taken or expected to be taken on an income tax return. The adoption of FIN 48 had no impact on the Plan's net assets available for benefits as of December 31, 2007 or changes in net assets available for benefits for the year then ended.

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Management has not yet determined the impact SFAS No. 157 will have on the Plan's financial statements, but does not expect that the impact will be material.

**(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 and for the years ended December 31, 2007 and 2006, 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, 2007 and 2006.

The following table presents the fair values of investments and outstanding balances of participant loans certified by the custodian as of December 31, 2007 and 2006:

| | 2007 | 2006 |
|---|---|---|
| Shares of registered investment companies, at fair value: | | |
| AIM Constellation Fund, 12,627 and 11,621 shares* | $ 370,868 | $ 304,717 |
| AIM Large Cap Growth A, 58,389 and 51,277 shares* | 774,817 | 589,175 |
| AIM International Equity Fund, 39,101 and 34,448 shares* | 1,252,811 | 1,024,835 |
| Federated Prime Cash Obligation Fund, 984,830 and 785,866 shares* | 984,829 | 785,866 |
| PIMCO Total Return Fund, 135,287 and 115,223 shares* | 1,446,220 | 1,196,022 |
| Dreyfus S&P 500 Fund, 25,883 and 23,098 shares* | 1,070,021 | 923,920 |
| Participants loans | 409,144 | 250,048 |
| | $ 6,308,710 | $ 5,074,583 |

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

During 2007 and 2006, 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) appreciated in value by $284,509 and $300,686, respectively. Investment income from interests and dividends amounted to $227,828 and $141,988 for the years ended December 31, 2007 and 2006, respectively.



(Continued)

**(4) 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.

**(5) 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 Puerto Rico Internal Revenue Code of 1994, as amended (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.

**(6) Prohibited Transaction – Participant's 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 in one 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 $52 for the year ended December 31, 2007. The Company intends to take the appropriate corrective actions to remedy these issues as soon as practicable in full compliance with governmental regulations.

**(7) Subsequent Event**

Commencing in 2009, the Act No. 186 of August 7, 2008 (Act 186) amended Section 1165(e) of the Puerto Rico Internal Revenue Code of 1994 to gradually increase the maximum allowed contributions for tax years up to:

| | | |
|---|---|---|
| 2009 and 2010 | $ | 9,000 |
| 2011 and 2012 | | 10,000 |
| 2013 and thereafter | | 12,000 |

**Schedule 1**

**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, 2007

| (a) | (b) Identity of issuer, borrower, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, part, or maturity value | (d) Cost | | (e) Current value |
|---|---|---|---|---|---|
| | | Shares of registered investment companies: | | | |
| | AIM | AIM Constellation Fund, 12,627 shares | N/A | $ | 370,868 |
| | AIM | AIM Large Cap Growth A Fund, 58,389 shares | N/A | | 774,817 |
| | AIM | AIM International Equity Fund, 39,101 shares | N/A | | 1,252,811 |
| | Federated | Federated Prime Cash Obligation Fund, 984,830 shares | N/A | | 984,829 |
| | PIMCO | PIMCO Total Return Fund, 135,287 shares | N/A | | 1,446,220 |
| | Dreyfus | Dreyfus S&P 500 Fund, 25,883 shares | N/A | | 1,070,021 |
| * | Plan participants | 181 participant loans at interest rates between 8.25% and 9.25% terms ranging from 1 to 5 years | — | | 409,144 |
| | | Total investments | | $ | 6,308,710 |

* 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 investments are participant directed.

See accompanying independent auditors' report.

**Schedule 2**

**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, 2007

| (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 4(a) | (e) Lost interest |
|---|---|---|---|---|
| Pall Corporation | Plan sponsor | 2007 employee deferrals not deposited to Plan in a timely manner. Interest rate of 7% | $ 128,825 | $ 52 |

See accompanying independent auditors' report.

Official Use Only

**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.**

OMB No. 1210-0110

**2007**

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

For calendar year 2007 or fiscal plan year beginning , and ending ,

| **A** Name of plan | **B** Three-digit plan number ► |
|---|---|
| PALL 1165E RETIREMENT AND SAVINGS PLAN FOR THE PR | 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number |
| PALL LIFE SCIENCES PUERTO RICO, LLC | 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(c)(8) or ERISA section 302(c)(8)? . . . . . ☐ 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 B 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



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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

PALL Pall Corporation

**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,

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):► 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 | ** | 409,144 |
| | AIM CONSTELLATION FUND | Registered Investment Company | ** | 370,868 |
| | AIM INTERNATIONAL EQUITY | Registered Investment Company | ** | 1,252,811 |
| | AIM LARGE CAP GROWTH A | Registered Investment Company | ** | 774,817 |
| | FEDERATED PRIME OBLIG SS | Registered Investment Company | ** | 984,829 |
| | PIMCO TOTAL RETURN ADMIN | Registered Investment Company | ** | 1,446,220 |
| | DREYFUS S & P 500 INDEX FUN | Registered Investment Company | ** | 1,070,021 |
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