

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="font-size: 24pt; font-weight: bold;">2009</div> This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>04/01/2009</u> and ending <u>03/31/2010</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>THE CYRILSCOTT COMPANY 401(K) PLAN</u>		1b Three-digit plan number (PN) ▶
			<div style="border: 1px solid black; padding: 2px; width: 40px; margin: 0 auto;">002</div>
			1c Effective date of plan <u>04/01/1999</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)	<u>MCCLELLAND ENTERPRISES INC</u> <u>3950 ST RT 37 EAST, PO BOX 310</u> <u>LANCASTER, OH 43130</u>		
	2b Employer Identification Number (EIN) <u>31-4442474</u>		2c Sponsor's telephone number <u>740-654-2112</u>
	2d Business code (see instructions) <u>323100</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.	01/17/2011	DONALD WALKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/13/2011	JAMES BAHNSEN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MCCLELLAND ENTERPRISES INC 3950 ST RT 37 EAST, PO BOX 310 LANCASTER, OH 43130	3b Administrator's EIN 31-4442474 3c Administrator's telephone number 740-654-2112
--	---

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

5 Total number of participants at the beginning of the plan year	5	298
---	----------	-----

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	0
b Retired or separated participants receiving benefits.....	6b	57
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	57
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	57
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	57
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

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

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

a Pension Schedules

- (1) ☐ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

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

For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010		
A Name of plan THE CYRILSCOTT COMPANY 401(K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 MCCLELLAND ENTERPRISES INC	D Employer Identification Number (EIN) 31-4442474	

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)	30882	
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	2450469	84702
(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	2481351	84702

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	9283	9583
k Total liabilities (add all amounts in lines 1g through 1j)	1k	9283	9583

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2472068	75119
---	-----------	---------	-------

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)	1276	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1276

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

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

(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)	8303	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8303

(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)		

		(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)		
(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)		414959
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		424538

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2817988	
(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)		2817988
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)	3199	
(4) Other	2i(4)	300	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3499
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2821487

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2396949
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: MCLAIN HILL RUGG ASSOCIATES INC

(2) EIN: 31-1038077

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

THE CYRIL SCOTT COMPANY 401(k) PLAN

**Financial Statements (in Liquidation)
and Supplemental Information**

For the Year Ended March 31, 2010

The Cyril Scott Company 401(k) Plan

Contents

Page 1	Independent Auditors' Report
Page 2	Statement of Net Assets in Liquidation Available for Benefits as of March 31, 2010 and 2009
Page 3	Statement of Changes in Net Assets in Liquidation Available for Benefits in Liquidation for the year ended March 31, 2010.
Page 4	Notes to the Financial Statements (5 pages).
Page 5	Supplemental Schedule of Assets Held at End of Year.

Independent Auditors' Report

To the Board of Directors of
The Cyril-Scott Company 401(k) Plan
Lancaster, Ohio

We have audited the accompanying statement of net assets in liquidation available for benefits of the Cyril-Scott Company 401(k) Plan as of March 31, 2010 and 2009, and the related statement of changes in net assets in liquidation available for benefits for the year ended March 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Notes B and D to the financial statements, the Board of Directors of McClelland Enterprises, Inc., the Plan's sponsor, voted on May 8, 2008, effective June 25, 2008, to terminate the Plan. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing plan basis used in presenting the 2008 financial statements to the liquidation basis used in presenting the 2009 financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation available for benefits of the Cyril-Scott Company 401(k) Plan as of March 31, 2009, and net assets available for benefits as of March 31, 2008, and the changes in net assets in liquidation available for benefits for the year ended March 31, 2009 in conformity with accounting principles generally accepted in the United States of America applied on the bases described in the preceding paragraph.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at the end of the year as of March 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. That additional information has been subjected to the auditing procedures applied in the audits of the basic financial statements in liquidation for the year ended March 31, 2009; and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McLain, Hill, Rugg & Associates, Inc.

McLain, Hill, Rugg & Associates, Inc.
Zanesville, Ohio

January 13, 2010

Page 1

NEW LEXINGTON, OHIO 43764
395 Lincoln Park Drive
Post Office Box 190
Phone 740-342-3512
Toll Free 1-800-322-7600
Fax 740-342-3034

LOGAN, OHIO 43138
1389 West Hunter Street
Post Office Box 856
Phone 740-385-6888
Toll Free 1-800-767-5581
Fax 740-385-1649

ZANESVILLE, OHIO 43702-0069
601 Underwood Street
Post Office Box 69
Phone 740-453-0371
Toll Free 1-800-624-9026
Fax 740-453-3009

LANCASTER, OHIO 43130
137 South Broad Street
Post Office Box 1005
Phone 740-687-6313
Toll Free 1-800-872-5066
Fax 740-687-1005

NEWARK, OHIO 43055
33 West Main St., Suite 202
Newark, OH 43055
Phone 740-349-0771
Fax 740-349-0776

CYRIL-SCOTT COMPANY 401(k) PLAN
Statement of Net Assets in Liquidation Available for Benefits
as of March 31, 2010 and 2009

	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Assets		
Investments, at fair value	\$ 84,702	\$ 2,450,469
Employer contribution receivable	<u>-</u>	<u>30,882</u>
Total assets	<u>\$ 84,702</u>	<u>\$ 2,481,351</u>
 Liabilities		
Excess deferrals payable	<u>\$ 9,583</u>	<u>\$ 9,283</u>
Total liabilities	<u>9,583</u>	<u>9,283</u>
Net assets in liquidation available for benefits	<u><u>\$ 75,119</u></u>	<u><u>\$ 2,472,068</u></u>

CYRIL-SCOTT COMPANY 401(k) PLAN
Statement of Changes in Net Assets in Liquidation Available for Benefits
For the Year Ended March 31, 2010

	<u>March 31, 2010</u>
Additions	
Investment activity:	
Net appreciation in fair value of investments	\$ 414,959
Dividend income	8,303
Less: Fees and expenses	(3,199)
Total investment activity	<u>420,063</u>
Contributions:	
Participant	-
Employer	1,276
Total contributions	<u>1,276</u>
Total additions	<u>421,339</u>
Deductions	
Other expenses	300
Benefits paid directly to participants	2,817,988
Total deductions	<u>2,818,288</u>
Net (decrease) in net assets in liquidation	(2,396,949)
Net assets in liquidation available for benefits:	
Beginning of year	<u>2,472,068</u>
End of Year	<u><u>\$ 75,119</u></u>

THE CYRIL-SCOTT COMPANY 401(k) PLAN
Notes to the Financial Statements

Note A - Description of Plan:

The following description of The Cyril-Scott 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The plan is a defined contribution plan established April 1, 1999 covering full-time employees of The Cyril-Scott Company, who changed its name, effective December 27, 2008, to McClelland Enterprises, Inc., (the Company) with at least three months of service who are employed at the end of the plan year. The Plan excludes individuals who are union members, nonresident aliens, or leased employees. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). A retroactive amendment was adopted effective April 1, 1999 which consists of a revision of allocation formula for the Employer Nonelective Contributions to the "Pro Rata Allocation Method" and amendment of eligibility provisions of the plan to exclude most highly compensated employees from being eligible to receive an allocation of Employer Nonelective Contribution. As of March 28, 2005, the Plan was amended to reduce the mandatory cash-out threshold from \$5,000 to \$1,000. Effective April 1, 2009, the Plan was amended and restated to comply with the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Act of 2008, the Worker, Retiree and Employer Recovery Act of 2008 and to include all applicable changes listed in the 2008 Cumulative List of Changes in Plan Qualification Requirements published by the IRS in Notice 2008-108, 2008-50 I.R.B., December 15, 2008. The Plan year is twelve month period ending on March 31st.

Contributions

Participants may make elective deferrals at a rate up to 15% of their compensation at their discretion. Employer contributions are discretionary and were \$1,276 for the year ending March 31, 2010.

Participant Accounts

Each participant account is credited with the participant's contribution and allocations of the Employer's contributions and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and the Company's profit sharing contributions plus actual earnings thereon.

Payment of benefits

Participants are entitled to benefits beginning at normal retirement age (65). Upon termination of service, or upon becoming disabled, participants will receive benefits in the form of a lump sum distribution. Distributions upon the death of a participant are made pursuant to the election of the participant or beneficiary.

Note B - Summary of Accounting Policies

The following accounting principles and practices of the plan are set forth to facilitate the understanding of data presented in the financial statements:

Basis of accounting

Due to the decision to terminate the Plan during the fiscal year 2009, the financial statements for 2010 and 2009 have been prepared using the liquidation basis of accounting.

THE CYRIL-SCOTT COMPANY 401(k) PLAN
Notes to the Financial Statements

Note B - Summary of Accounting Policies (continued)

Investment valuation and income recognition

The Plan's investments at March 31, 2010 and 2009 are reported at fair value which represents liquidation value due to the plan termination.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Payment of benefits

Benefits payments to participants are recorded upon distribution.

Administrative Expenses

Certain administrative expenses are paid by the Company.

Subsequent events

The Plan has evaluated subsequent events through January 13, 2011, which is the date the financial statements were available to be issued.

Note C - Plan Termination

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. The Company sold the company assets and terminated the employees on December 21, 2007 resulting in all participants becoming 100% vested in the Plan. By resolution of the Board of Directors dated May 8, 2009, the Company terminated the plan effective June 25, 2008. An IRS determination letter, dated July 1, 2009, stated that the termination of the plan does not adversely affect its qualification for federal tax purposes and that the determination applies to the proposed termination date of June 25, 2008.

On July 21, 2009, a letter to 401(k) Participants communicated resolution to terminate the Plan, correspondence with the IRS regarding the Plan termination and distribution of all of the assets in the Plan to its Participants. As a result of the resolution to terminate the Plan, each employee with an accrued benefit under the Plan had the following choices to have the present value of the participant's account balance: (a) distributed in a single cash payment to the participant, (b) a direct rollover to another retirement vehicle that accepts rollover contributions, or (c) a portion of the accrued benefit paid directly to the participant, with the remainder to be directly rolled over to another retirement vehicle that accepts rollover contributions.

Note D - Tax Status

The Plan was established effective April 1, 1999. The Plan did not receive a determination from the Internal Revenue Service (IRS) as to its compliance with the applicable requirements of the Internal Revenue Code (Code). The Plan entered the Voluntary Correction Program in 2004 and, as a result, the Plan received a Compliance Statement indicating that the IRS will not pursue excise taxes under Code section 4979 and will waive the excise taxes under Code section 4974. Therefore, no provision for income taxes has been included in the Plan's financial statements.

THE CYRIL-SCOTT COMPANY 401(k) PLAN
Notes to the Financial Statements

Note D - Tax Status (continued)

The Internal Revenue Service issued a final determination letter dated July 1, 2009, stating that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC) and stating that the termination of the Plan does not adversely affect its qualification for federal tax purposes.

Note E - Related Party and Party-in-Interest

ExpertPlan is the custodian and third party administrator as defined by the Plan and those transactions qualify as party-in-interest transactions. Two former employees of the Company are named Trustees of the Plan and therefore fiduciaries and parties-in-interest to the Plan.

Note F - Investments

All assets of the Plan are participant directed. The following presents investments that represent five percent (5%) or more of Plan net assets:

	<u>2010</u>	<u>2009</u>
Alger Capital Retirement Fund	15,618	499,244
Dreyfus Founders Discovery Fund Class A	17,298	314,972
DWS Balanced Fund	11,425	267,676
DWS Global Small Cap Growth Fund	11,060	224,913
DWS Money Market Fund	24,592	612,733
DWS Strategic Government Securities	N/A	446,847

All appreciation in the fair value of investments of \$414,959 during the year ending March 31, 2010, was attributable to investments in mutual funds.

Note G - Fair Value Measurement

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

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include <ul style="list-style-type: none"> • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted priced that are observable for the asset or liability • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE CYRIL-SCOTT COMPANY 401(k) PLAN
Notes to the Financial Statements

Note G - Fair Value Measurement (continued)

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2010 and 2009.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Money market funds: Valued using amortized cost which approximates fair value.

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

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value as of March 31, 2010 and 2009:

Assets at Fair Value as of March 31, 2010				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 60,110	\$ —	\$ —	\$ 60,110
Money market funds	24,592	—	—	24,592
Total assets at fair value	<u>\$ 84,702</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 84,702</u>

Assets at Fair Value as of March 31, 2009				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,837,736	\$ —	\$ —	\$ 1,837,736
Money market funds	612,733	—	—	612,733
Total assets at fair value	<u>\$ 2,450,469</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,450,469</u>

Note H - Excess Deferrals

The Plan failed to satisfy the actual deferral percentage (ADP) discrimination test for the plan year ended March 31, 2005. As a result, the plan was determined to have an excess deferral for two employees for the year ended March 31, 2005. This excess deferral was not refunded by the Plan which could result in the Plan requesting admittance to the Voluntary Correction Program with Service Approval of the Employee Plan Compliance Resolution System. During the year ending March 31, 2010, the excess deferral was distributed by the Plan resulting in the amount of the excess deferrals, including lost earnings, at March 31, 2010 and 2009 in the amount of \$9,583 and \$9,283, respectively. The amount of the excess deferrals, including lost earnings, at March 31, 2010 and 2009 were \$9,583 and \$9,283, respectively.

NOTE I – Employer Contributions Receivable

The Plan reported contributions due from the Company related to the March 31, 2003 failure of the actual deferral percentage (ADP) discrimination test as a contribution receivable which includes estimated lost earnings. At March 31, 2009 these amounts were not paid into the plan by the Company which could result in the Plan requesting admittance to the Voluntary Correction Program with Service Approval of the Employee Plan Compliance Resolution System. During the year ending March 31, 2010 the amount of contributions

THE CYRIL-SCOTT COMPANY 401(k) PLAN
Notes to the Financial Statements

NOTE I – Employer Contributions Receivable (continued)

receivable plus lost earnings were paid into the Plan resulting in balances of contribution receivable as of March 31, 2010 and 2009 in the amount of \$-0- and \$30,882, respectively.

NOTE J – Risks and Uncertainties

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

CYRIL SCOTT COMPANY 401(k) PLAN
Supplemental Schedule of Assets Held at End of Year
March 31, 2010

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN 31-4442474, PN 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	ALGER CAPITAL APPREC RETIRE	Mutual fund	** \$	15,618
	DREYFUS DISCOVERY FUND	Mutual fund	**	17,298
	DWS BALANCED FUND	Mutual fund	**	11,425
	DWS GLOBAL SMALL CAP GROWTH	Mutual fund	**	11,060
	DWS INTERNATIONAL FUND	Mutual fund	**	3,953
	DWS STRATEGIC GOVT SECURITIES	Mutual fund	**	756
	DWS MONEY MKT PRIME SERIES MMKT	Money market fund	**	24,592
				<u>\$ 84,702</u>

* Indicates party-in-interest to plan.

** Cost omitted for participant directed investments.

PARTY IN INTEREST -
IDENTITY - Alger Capital Apprec
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 15618

PARTY IN INTEREST -
IDENTITY - Dreyfus Discovery Fu
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 17298

PARTY IN INTEREST -
IDENTITY - DWS Balanced Fund
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 11425

PARTY IN INTEREST -
IDENTITY - DWS Global Sm Cap Gr
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 11060

PARTY IN INTEREST -
IDENTITY - DWS International Fu
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 3953

PARTY IN INTEREST -
IDENTITY - DWS Strategic Govt S
DESCRIPTION - Mutual Fund
COST - 0
CURRENT VALUE - 756

PARTY IN INTEREST -
IDENTITY - DWS Money Mkt Prime
DESCRIPTION - Money Market Fund
COST - 0
CURRENT VALUE - 24592