

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 12/10/2008 and ending 12/09/2009	
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 CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 12/10/1982
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) CARDONE INDUSTRIES, INC. 5501 WHITAKER AVENUE PHILADELPHIA, PA 19124	2b Employer Identification Number (EIN) 23-1916269
	2c Sponsor's telephone number
	2d Business code (see instructions) 336300

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.	01/19/2011	DAVID CAROSIELLO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/19/2011	DAVID CAROSIELLO
	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") CARDONE INDUSTRIES, INC. 5501 WHITAKER AVENUE PHILADELPHIA, PA 19124	3b Administrator's EIN 23-1916269 3c Administrator's telephone number
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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	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	4186
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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	3145
b Retired or separated participants receiving benefits.....	6b	270
c Other retired or separated participants entitled to future benefits.....	6c	809
d Subtotal. Add lines 6a , 6b , and 6c	6d	4224
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	27
f Total. Add lines 6d and 6e	6f	4251
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	136

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1B 1G

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
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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 12/10/2008 and ending 12/09/2009		
A Name of plan CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269	

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	195000	400000
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(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)	1681157	3171816
(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)	20358432	26584257
(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	22234589	30156073

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	22234589	30156073
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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)	2400000	
(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)		2400000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2464	
(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)		2464

(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)		6381195
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		8783659

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	706230	
(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)		706230
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)	155945	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		155945
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		862175

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7921484
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: MARCUM LLP

(2) EIN: 11-1986323

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.).....			
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)

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Cardone Industries, Inc.
Union Employees' Pension Plan

We have audited the accompanying statement of net assets available for benefits of Cardone Industries, Inc. Union Employees' Pension Plan as of December 9, 2009, and the related statement of changes in net assets available for benefits for the year then ended. 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 audit. The financial statements of the Plan as of December 9, 2008 were audited by Margolis and Company P.C, whose practice was combined with Marcum LLP as of September 1, 2009, and their report dated August 28, 2009, expressed an unqualified opinion on those statements.

We conducted our audit 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 9, 2009, and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of assets (held at end of year) as of December 9, 2009 and reportable (5%) transactions for the year ended December 9, 2009 are 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. The supplementary schedules are the responsibility of the Plan's management. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marcum LLP

Bala Cynwyd, PA
November 8, 2010



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NEW YORK ■ NEW JERSEY ■ CONNECTICUT ■ PENNSYLVANIA ■ FLORIDA ■ GRAND CAYMAN

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 9, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Assets		
Investments:		
Money market funds	\$ 3,171,816	\$ 1,681,157
Mutual funds	26,584,257	20,358,432
Employer contribution receivable	<u>400,000</u>	<u>195,000</u>
Net Assets Available for Benefits	<u><u>\$30,156,073</u></u>	<u><u>\$22,234,589</u></u>

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

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions to Net Assets Attributed to		
Employer contributions	<u>\$ 2,400,000</u>	<u>\$ 780,000</u>
Investment activity:		
Interest and dividends	662,664	479,060
Realized gain (loss) on investments	4,489,020	(244,812)
Unrealized gain (loss) on investments	<u>1,231,974</u>	<u>(10,654,655)</u>
Net Increase (Decrease) from Investment Activity	<u>6,383,658</u>	<u>(10,420,407)</u>
Total Additions	<u>8,783,658</u>	<u>(9,640,407)</u>
Deductions from Net Assets Attributed to		
Benefits paid directly to participants	(706,229)	(635,205)
Administration expenses	<u>(155,945)</u>	<u>(152,303)</u>
Total Deductions	<u>(862,174)</u>	<u>(787,508)</u>
Net Increase (Decrease)	7,921,484	(10,427,915)
Net Assets Available for Benefits		
Beginning of year	<u>22,234,589</u>	<u>32,662,504</u>
End of year	<u>\$30,156,073</u>	<u>\$22,234,589</u>

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

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 1 - DESCRIPTION OF THE PLAN

Pursuant to a collective bargaining agreement, Cardone Industries, Inc. (the "Company" and Plan Sponsor) established the Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan") effective December 10, 1982 and the most recent amendment is dated April 21, 2004.

Information regarding vesting and benefit provisions, the priority order of participants' claims to the assets of the Plan upon termination and the benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC), including the application of the PBGC guaranty to recent plan amendments, may be found in the plan agreement.

The following brief description of the Cardone Industries, Inc. Union Employees' Pension Plan is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

GENERAL

The Plan is a noncontributory, defined benefit pension plan covering substantially all employees who are members of Service Employee's International Union Local #252 and employed by Cardone Industries, Inc. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

PLAN ADMINISTRATION

The Plan is administered by a committee appointed by the Board of Directors of Cardone Industries, Inc. Certain expenses of administering the Plan are borne by the Plan.

PENSION BENEFITS

For retirements on or after December 10, 1988, employees are entitled to monthly pension benefits beginning at normal retirement age (65) equal to \$13.50 multiplied by years of service and for retirements prior to December 10, 1988, the monthly benefit is \$7.00 to \$9.50 multiplied by years of service, subject to the amount in which the participant is vested. The Plan permits early retirement at ages 55-64. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PENSION BENEFITS (CONTINUED)

before rendering 15 years of service, they forfeit the right to early retirement. The normal form of payment to a retired participant of retirement benefits payable under the Plan is a monthly life annuity payable commencing on the participant's pension commencement date and terminating with the payment due immediately preceding death.

DEATH BENEFITS

If an active employee dies, a death benefit equal to the remaining value of the employee's accumulated pension benefits is paid to the employee's beneficiary at the earliest retirement age.

FUNDING POLICY

The Company's funding policy is to make annual contributions to the Plan in amounts sufficient to provide benefits specified in the Plan and in accordance with the collective bargaining agreement. As of December 09, 2009 and 2008, the Plan is in compliance with the minimum funding requirements of ERISA.

Participants are not required or permitted to make contributions under the Plan.

VESTING

A participant becomes 20% vested after three years of credited service. Such vesting increases 20% each year thereafter until reaching 100% after seven years of credited service.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

VALUATION OF INVESTMENTS

Investments are carried at market value. Funds that were allocated and applied to purchase annuities (whereby, TD Ameritrade was obligated to pay the related pension benefits) are excluded from the Plan's assets.

In accordance with the policy of stating investments at current market value, net unrealized appreciation or depreciation for the year is included in the statement of changes in net assets available for benefits.

INVESTMENT INCOME AND GAINS AND LOSSES ON SECURITY TRANSACTIONS

Investment income and gains and losses on security transactions are recorded as reported by the custodian. 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.

BENEFITS PAID DIRECTLY TO PARTICIPANTS

Benefit payments to participants are recorded when distributed.

USE OF ESTIMATES

The presentation 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

The asset's 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 December 9, 2009 and 2008.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

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

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 table provides fair value measurement information for the Plan's major categories of financial assets measured on a recurring basis:

Description	Assets at Fair Value as of December 9, 2009 Using:			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Investments:				
Money market funds	\$ 3,171,816	\$ --	\$ --	\$ 3,171,816
Mutual funds	<u>26,584,257</u>	<u>--</u>	<u>--</u>	<u>26,584,257</u>
Total Assets	<u>\$29,756,073</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$29,756,073</u>

Description	Assets at Fair Value as of December 9, 2008 Using:			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Investments:				
Money market funds	\$ 1,681,157	\$ --	\$ --	\$ 1,681,157
Mutual funds	<u>20,358,432</u>	<u>--</u>	<u>--</u>	<u>20,358,432</u>
Total Assets	<u>\$22,039,589</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$22,039,589</u>

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 4 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the employees for services they have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their years of credited service. The accumulated Plan benefits for active employees are based on their compensation during the year ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the actuarial firm of Milliman, Inc. and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 10, 2009 and 2008 were (a) life expectancy of participants (the RP-2000 Healthy Annuitant Table was used), (b) retirement age assumptions vary from 55 to the normal retirement at age 65, and (c) investment return. The 2009 and 2008 valuations included assumed average rate of return of 7.0% and 7.5%, respectively, including a reduction to reflect anticipated administrative expenses associated with providing benefits. The foregoing actuarial assumptions were based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Accumulated plan benefits are summarized as follows:

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits	\$36,560,535	\$29,327,065
Non-vested benefits	<u>670,845</u>	<u>766,406</u>
Total actuarial present value of accumulated plan benefits	<u>\$37,231,380</u>	<u>\$30,093,471</u>

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 5 - RECONCILIATION OF CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits at beginning of year	\$30,093,471	\$26,927,612
Increase (decrease) during plan year due to:		
Interest due to decrease in the discount period	2,231,005	1,996,181
Benefits accumulated	2,946,486	1,730,074
Benefits paid	(706,229)	(635,205)
Change in assumptions	<u>2,666,647</u>	<u>74,809</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$37,231,380</u>	<u>\$30,093,471</u>

Changes in assumptions include the following:

2009

The 3-tiered segment rates with a 4-month lookback have been elected for the 2009 plan year. The previous assumption was the yield curve with a 1-month lookback.

The statutory mortality table was updated for one additional year.

The ASC 960 interest rate and assumed investment return assumption used in the development of the Actuarial Value of Assets have both been decreased from 7.5% to 7.0%.

2008

In order to comply with the Pension Protection Act of 2006 (PPA) for determining funding requirements, the valuation reflects the adoption of the full yield curve, a new statutory mortality table, and the Unit Credit cost method.

Per the Worker, Retiree and Employer Recovery Act (WRERA), the valuation reflects a 24-month smoothing method in determining the Adjusted Fair Market Value of Assets.

Rates of turnover and retirement were adjusted slightly to reflect recent experience, and a disability decrement assumption has been added.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 6 - PLAN TERMINATION

In the event that the Plan is terminated, net assets of the Plan would be allocated among the participants and eligible beneficiaries in the order provided for by ERISA and, to the extent unfunded vested benefits then exist, such benefits will be provided up to specified limitations as described in ERISA by the Pension Benefit Guaranty Corporation.

NOTE 7 - INVESTMENTS

The following table presents the fair value of investments that represent 5% or more of the Plan's net assets.

	2009	2008
American Bond Fund of America	\$4,067,192	\$ **
American The Capital World Bond Fund	1,746,881	**
American Capital World Gr & Inc. Fund	3,832,165	**
American Growth Fund of America	4,416,628	**
American Investment Company of America	4,438,598	**
Columbia Acorn Select Fund Class Z	2,016,213	1,259,169
Royce PA Mutual Fund Invest C	1,753,641	1,225,603
TD Bank USA Institutional MMF	2,463,046	1,414,815
American Funds Capital World Bond Fund	**	1,479,396
American Funds Capital World Gr & Inc.	**	2,937,048
American Funds Bond Fund	**	3,349,353
American Funds Growth Fund	**	3,209,478
American Funds Investment Co.	**	3,439,292
American Funds Short-Term Bond Fund	**	1,297,782
PIMCO Low Duration Fund Class A	**	1,277,275

** Fair value less than 5%.

NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on October 28, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2009 AND 2008

NOTE 9 - RELATED PARTY TRANSACTIONS

Certain plan investments are shares of funds managed by TD Ameritrade. TD Ameritrade is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$155,945 and \$152,303 for the years ended December 9, 2009 and 2008, respectively.

NOTE 10 - 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 the amounts reported in the statement of net assets available for benefits.

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

NOTE 11 - SUBSEQUENT EVENTS

The Plan's management has evaluated subsequent events to determine if events or transactions occurring through November 8, 2010, the date the financial statements were available for issuance, require potential adjustments to, or disclosure in, the accompanying financial statements. Based upon the evaluation, the Plan's management did not identify any subsequent events that require adjustment or disclosure in the financial statements.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

EIN: 23-1916269

PLAN #002

SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 9, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	<u>Money Market Funds:</u>			
*	TD Ameritrade	TD Bank USA Institutional MMF	\$ 2,463,046	\$ 2,463,046
*	TD Ameritrade	TD Bank USA MMF	<u>708,770</u>	<u>708,770</u>
			<u>3,171,816</u>	<u>3,171,816</u>
	<u>Mutual Funds:</u>			
*	TD Ameritrade	American Bond Fund of America	4,067,192	4,067,192
*	TD Ameritrade	American Capital World Growth & Income Fund	3,916,164	3,832,165
*	TD Ameritrade	American Growth Fund of America	4,454,335	4,416,628
*	TD Ameritrade	American Investment Company of America	4,461,077	4,438,598
*	TD Ameritrade	American New World Fund Class R-6	1,365,485	1,337,462
*	TD Ameritrade	American Short-Term Bond Fund	1,486,854	1,486,854
*	TD Ameritrade	American The Capital World Bond Fund	1,767,193	1,746,881
*	TD Ameritrade	Columbia Acorn Select Fund Class Z	1,202,724	2,016,213
*	TD Ameritrade	PIMCO Low Duration Fund Class A	1,363,131	1,488,623
*	TD Ameritrade	Royce PA Mutual Fund Invest C	<u>1,268,128</u>	<u>1,753,641</u>
			<u>25,352,283</u>	<u>26,584,257</u>
			<u>\$28,524,099</u>	<u>\$29,756,073</u>

*Party-in-Interest

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

EIN: 23-1916269

PLAN #002

SCHEDULE H - ITEM 4j - SCHEDULE OF REPORTABLE (5%) TRANSACTIONS FOR THE YEAR ENDED DECEMBER 9, 2009

(a) Identity of Party Involved	(b) Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Net Transaction Date	(i) Gain (Loss)
TD Ameritrade	American Bond Fund of America	\$4,067,192					\$4,067,192	
TD Ameritrade	American Capital World Growth & Income Fund	3,916,164					3,916,164	
TD Ameritrade	American Funds Capital World Bond Fund		\$1,767,193			\$1,540,264		\$ 226,929
TD Ameritrade	American Funds Capital World Growth & Income Fund		3,916,164			2,843,892		1,072,272
TD Ameritrade	American Funds The Bond Fund of America		4,067,192			3,641,491		425,701
TD Ameritrade	American Funds The Growth Fund of America		4,454,335			3,326,409		1,127,926
TD Ameritrade	American Funds The Investment Co of America		4,461,077			3,553,041		908,036
TD Ameritrade	American Growth Fund of America	4,454,335					4,454,335	
TD Ameritrade	American Investment Company of America	4,461,077					4,461,077	
TD Ameritrade	American The Capital World Bond Fund	1,767,193					1,767,193	

► For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 3.

File With IRS Only

Part I Identification

A	Name of filer, plan administrator, or plan sponsor (see instructions) CARDONE INDUSTRIES, INC.			B Filer's identifying number (see instructions). ☒ Employer identification number (EIN). 23-1916269		
	Number, street, and room or suite no. (If a P.O. box, see instructions) 5501 WHITAKER AVENUE City or town, state, and ZIP code PHILADELPHIA PA 19124			☐ Social security number (SSN)		
C	Plan name	Plan number	Plan year ending—			
			MM	DD	YYYY	
	1 EMPLOYEES PENSION PLAN OF CARDONE INDUSTRIES, INC.	0 0 2	12	9	2009	
	2					
3						

Part II Extension of Time to File Form 5500 or Form 5500-EZ (see instructions)

1 I request an extension of time until 10 / 15 / 2010 to file Form 5500 or Form 5500-EZ.

The application is automatically approved to the date shown on line 1 (above) if: (a) the Form 5558 is filed on or before the normal due date of Form 5500 or 5500-EZ for which this extension is requested, and (b) the date on line 1 is no more than 2½ months after the normal due date.

You must attach a copy of this Form 5558 to each Form 5500 and 5500-EZ filed after the due date for the plans listed in C above.

Note. A signature is not required if you are requesting an extension to file Form 5500 or Form 5500-EZ.

Part III Extension of Time to File Form 5330 (see instructions)

2 I request an extension of time until 12/31/2014 to file Form 5330.

You may be approved for up to a six (6) month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax **a**

b Enter the payment amount attached **b**

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date ▶ **c**

3 State in detail why you need the extension

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ► *Scott Porter*

Date ► 7/13/10

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **Attach to Form 5500 or 5500-EZ if applicable. (See instructions.)**

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 12/10/2008, and ending 12/09/2009,

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ CARDONE INDUSTRIES, INC.		D Employer Identification Number (EIN) 23-1916269
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐	F Prior year plan size: 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>12</u> Day <u>10</u> Year <u>2008</u>		
2 Assets:		
a Market value	2a	22234589
b Actuarial value	2b	24458048
3 Funding target/participant count breakdown		
		(1) Number of participants
a For retired participants and beneficiaries receiving payment	3a	238
b For terminated vested participants	3b	693
c For active participants:		
(1) Non-vested benefits	3c(1)	679042
(2) Vested benefits	3c(2)	18418248
(3) Total active	3c(3)	19097290
d Total	3d	28031440
4 If the plan is in at-risk status, check the box and complete lines 4a and 4b ► ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	8.00 %
6 Target normal cost	6	1352325

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

SCOTT F. PORTER

Type or print name of actuary

MILLIMAN, INC.

Firm name

1550 LIBERTY RIDGE DRIVE SUITE 200

WAYNE

PA

19087-5572

Address of the firm

Date

08-05894

Most recent enrollment number

610-975-8070

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions. ☐

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

v11.3

Schedule SB (Form 5500) 2008

Part II Beginning of year carryover and prefunding balances (See instructions.)

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	N/A	N/A
8 Portion used to offset prior year's funding requirement (line 35 from prior year)	N/A	N/A
9 Amount remaining (line 7 minus line 8)	4828076	N/A
10 Interest on line 9 using prior year's actual return of N/A %	N/A	N/A
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (line 38 from prior year)		N/A
b Interest on line 11a using prior year's effective rate of N/A %		N/A
c Total available at beginning of current plan year to add to prefunding balance ..		N/A
d Portion of line 11c to be added to prefunding balance		N/A
12 Reduction in balances due to elections or deemed elections	0	N/A
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	4828076	N/A

Part III Funding percentages

14 Funding target attainment percentage	14	70.03 %
15 Adjusted funding target attainment percentage	15	70.03 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to offset current year's funding requirement	16	93.78 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/27/2009	400000				
08/21/2009	400000				
09/23/2009	400000				
10/23/2009	400000				
11/24/2009	400000				
12/24/2009	400000				
			Totals ▶	18(b) 2400000	18(c) 0

19 Discounted employer contributions -- see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid benefit restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year, adjusted to valuation date	19c	2251837

20 Quarterly contributions and liquidity shortfall(s):

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes	☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes	☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:	1st segment:	2nd segment:	3rd segment:	☒ N/A, full yield curve used
a Segment rates:	%	%	%	
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions)	Prescribed -- combined	☒ Prescribed -- separate	Substitute	

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	1352325
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6158953	1092899
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.	33	
34 Total funding requirement before reflecting carryover/prefunding balances (line 31 + line 32a + line 32b - line 33)	34	2445224
35 Balances used to offset funding requirement. . .	Carryover balance	Prefunding balance
	1053104	0
36 Additional cash requirement (line 34 minus line 35)	36	1392120
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	2251837
38 Interest-adjusted excess contributions for current year (see instructions)	38	859717
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **Attach to Form 5500 or 5500-EZ if applicable. (See instructions.)**

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 12/10/2008 , and ending 12/09/2009 ,

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ CARDONE INDUSTRIES, INC.		D Employer Identification Number (EIN) 23-1916269
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month 12 Day 10 Year 2008

2 Assets:			
a Market value		2a	22234589
b Actuarial value		2b	24458048
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	238	4405290
b For terminated vested participants	3b	693	4528860
c For active participants:			
(1) Non-vested benefits	3c(1)		679042
(2) Vested benefits	3c(2)		18418248
(3) Total active	3c(3)	3255	19097290
d Total	3d	4186	28031440
4 If the plan is in at-risk status, check the box and complete lines 4a and 4b			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	8.00 %
6 Target normal cost		6	1352325

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.



Scott F. Porter

Signature of actuary

SCOTT F. PORTER

Type or print name of actuary

MILLIMAN, INC.

Firm name

1550 LIBERTY RIDGE DRIVE SUITE 200

WAYNE

PA

19087-5572

Address of the firm

10/8/10

Date

08-05894

Most recent enrollment number

610-975-8070

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions. ☐

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

v11.3

Schedule SB (Form 5500) 2008

Part II Beginning of year carryover and prefunding balances (See instructions.)

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	N/A	N/A
8 Portion used to offset prior year's funding requirement (line 35 from prior year)	N/A	N/A
9 Amount remaining (line 7 minus line 8)	4828076	N/A
10 Interest on line 9 using prior year's actual return of N/A %	N/A	N/A
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (line 38 from prior year)		N/A
b Interest on line 11a using prior year's effective rate of N/A %		N/A
c Total available at beginning of current plan year to add to prefunding balance ..		N/A
d Portion of line 11c to be added to prefunding balance		N/A
12 Reduction in balances due to elections or deemed elections	0	N/A
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	4828076	N/A

Part III Funding percentages

14 Funding target attainment percentage	14	70.03 %
15 Adjusted funding target attainment percentage	15	70.03 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to offset current year's funding requirement	16	93.78 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/27/2009	400000				
08/21/2009	400000				
09/23/2009	400000				
10/23/2009	400000				
11/24/2009	400000				
12/24/2009	400000				
Totals ▶			18(b)	2400000	18(c) 0

19 Discounted employer contributions -- see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid benefit restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year, adjusted to valuation date	19c	2251837

20 Quarterly contributions and liquidity shortfall(s):

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes	☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes	☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:	1st segment:	2nd segment:	3rd segment:	☒ N/A, full yield curve used
a Segment rates:	%	%	%	
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions)	☐ Prescribed -- combined	☒ Prescribed -- separate	☐ Substitute	

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	1352325	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	6158953	1092899	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.	33		
34 Total funding requirement before reflecting carryover/prefunding balances (line 31 + line 32a + line 32b - line 33)	34	2445224	
35 Balances used to offset funding requirement. . .	Carryover balance	Prefunding balance	Total balance
	1053104	0	1053104
36 Additional cash requirement (line 34 minus line 35)	36	1392120	
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	2251837	
38 Interest-adjusted excess contributions for current year (see instructions)	38	859717	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contribution for all years	40	0	

**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 12/10/2008 , and ending 12/09/2009 ,

A Name of plan CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN	B Three-digit plan number ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number 23-1916269

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
		Contract administrator
(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)
		12

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position
TD AMERITRADE TRUST COMPANY	20-0937408	TRUSTEE
(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)
NONE		135434
		26

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



(a) Name		(b) Employer identification number (see instructions)	(c) Official plan position	
MAIN LINE FINANCIAL		23-2870243	AUDITOR	
(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)	
NONE		20511	20	
(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)	



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 ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Retirement Plan InformationThis schedule is required to be filed under sections 104 and 4065 of the
Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a)
of the Internal Revenue Code (the Code).► **File as an Attachment to Form 5500.**

Official Use Only

OMB No. 1210-0110

2008**This Form is Open to
Public Inspection.**

For calendar year 2008 or fiscal plan year beginning 12/10/2008 , and ending 12/09/2009 ,

A Name of plan CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN	B Three-digit plan number 002
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number 23-1916269

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 plan year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 84-0519832	
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	3 102

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 plan 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 ☐ 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



Attachment to Form 5500
2008 Schedule R, Distribution of Assets Information

Plan Name	CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN	EIN:	23-1916269
Plan Sponsor's Name	CARDONE INDUSTRIES, INC.	PN:	002

1 Show the beginning-of-year distribution of assets for the following categories:

Stocks:	65 %
Investment-grade debt instruments:	35 %
High-yield debt instruments:	%
Real estate:	%
Other asset classes:	%

2 Indicate the average duration of the plan's debt portfolio by using one of the following categories. If the average duration falls exactly on the boundary of two categories, report the category with the lower duration.

☐		0 - 3	years
☒		3 - 6	years
☐		6 - 9	years
☐		9 - 12	years
☐		12 - 15	years
☐		15 - 18	years
☐		18 - 21	years
☐		21 years or more.	

3 Report the duration measure used:

☒		Effective duration	
☐		Macaulay duration	
☐		Modified duration	
☐		Other (specify):	

Exhibit 9

Employer Contributions for Prior Plan Year

The employer contributions for the plan year ending December 9, 2009 were paid or are payable on the dates and in the amounts shown below. The prior year's Effective Interest Rate of 8.00% is used to discount contributions back to December 10, 2008. Contributions (or portions of contributions) made after the due date for the required quarterly contributions are penalized an additional 5% during the late period. Contributions made solely to avoid the application of benefit restrictions in accordance with IRC Section 436 cannot be considered in determining excess contributions.

<u>Date</u>	<u>Contribution Amount</u>	Discounted Value as of 12/10/2008 <u>Without Penalty</u>	<u>Penalty Amount</u>	Discounted Value as of 12/10/2008 <u>Reflecting Penalty</u>
7/27/2009	\$400,000	\$381,145	\$0	\$381,145
8/21/2009	400,000	379,141	0	379,141
9/23/2009	400,000	376,512	0	376,512
10/23/2009	400,000	374,138	0	374,138
11/24/2009	400,000	371,622	0	371,622
12/24/2009	400,000	369,279	0	369,279
Total	\$2,400,000	\$2,251,837	\$0	\$2,251,837

Schedule SB, line 22, Description of Weighted Average Retirement Age

Plan Name: Cardone Industries, Inc. Union Employees Pension Plan

Plan Number: 002

Plan Sponsor's Name: Cardone Industries, Inc.

Employer Identification Number: 23-1916269

<u>Age</u>	<u>$q_x^{(n)}$</u>	<u>$p_x^{(n)}$</u>	<u>$l_x^{(n)}$</u>	<u>Weighted Average</u>
55	5%	95%	100%	2.75
56	5%	95%	95%	2.66
57	5%	95%	90%	2.57
58	5%	95%	86%	2.49
59	5%	95%	81%	2.40
60	5%	95%	77%	2.32
61	5%	95%	74%	2.24
62	15%	85%	70%	6.49
63	10%	90%	59%	3.74
64	10%	90%	53%	3.42
65	35%	65%	48%	10.94
66	25%	75%	31%	5.16
67	25%	75%	23%	3.93
68	25%	75%	18%	2.99
69	25%	75%	13%	2.27
70	100%	0%	10%	6.92
Weighted Average Age				63.29
Rounded				63.00

Appendix C

Summary of Actuarial Assumptions

Special Data Adjustments

For terminated vested participants who are beyond Normal Retirement date and are currently less than age 80, an actuarial increase factor was applied to the vested accrued benefit.

Benefits Not Valued

None.

Changes in Actuarial Assumptions Since Prior Valuation

In order to comply with the Pension Protection Act of 2006 (PPA) for determining funding requirements, this valuation reflects the adoption of the full yield curve, a new statutory mortality table, and the Unit Credit cost method.

Per the Worker, Retiree and Employer Recovery Act (WRERA), this valuation reflects a 24-month smoothing method in determining the Adjusted Fair Market Value of Assets.

Rates of turnover and retirement were adjusted slightly to reflect recent experience, and a disability decrement assumption has been added.

Appendix C

Summary of Actuarial Assumptions

Special Data Adjustments

For terminated vested participants who are beyond Normal Retirement date and are currently less than age 80, an actuarial increase factor was applied to the vested accrued benefit.

Benefits Not Valued

None.

Changes in Actuarial Assumptions Since Prior Valuation

In order to comply with the Pension Protection Act of 2006 (PPA) for determining funding requirements, this valuation reflects the adoption of the full yield curve, a new statutory mortality table, and the Unit Credit cost method.

Per the Worker, Retiree and Employer Recovery Act (WRERA), this valuation reflects a 24-month smoothing method in determining the Adjusted Fair Market Value of Assets.

Rates of turnover and retirement were adjusted slightly to reflect recent experience, and a disability decrement assumption has been added.

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	61	7	-	-	-	-	-	-	-	68
25-29	-	63	39	14	-	-	-	-	-	-	116
30-34	1	71	55	66	4	-	-	-	-	-	197
35-39	-	117	89	118	43	4	-	-	-	-	371
40-44	-	117	123	130	71	42	2	-	-	-	485
45-49	-	114	140	164	78	46	9	2	-	-	553
50-54	1	124	172	145	80	42	20	4	-	-	588
55-59	-	60	131	157	86	40	28	2	2	-	506
60-64	-	42	73	84	46	30	5	6	1	-	287
65-69	-	5	20	20	10	6	6	4	1	-	72
70&Up	-	-	2	5	2	3	-	-	-	-	12
Total	2	774	851	903	420	213	70	18	4	-	3,255

Exhibit 16

Shortfall Amortization

The amount needed to amortize the Funding Shortfall to the Applicable Funding Target for the plan year beginning December 10, 2008 is determined below. The Funding Shortfall Amount is amortized in seven level payments using the current segment interest rates.

1. Applicable Funding Target	\$28,031,440
2. Applicable Funding Target Percentage	92%
3. Plan Assets less Carryover and Prefunding Balances	19,629,972
4. Funding Shortfall Amount [(1) x (2) – (3), not less than \$0]	6,158,953
5. Seven year amortization factor	5.63543
6. Shortfall Amortization for current year [(4) / (5)]	\$1,092,899

Appendix B

Summary of Actuarial Methods

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the plan's existence until the last payment has been made to the last participant. The plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help to ensure that the plan will be adequately and systematically funded. PPA mandates the cost method to be used.

Actuarial Cost Method

The plan's actuarial cost method used for determining the plan's ERISA funding requirements is the unit credit method, as required by the Pension Protection Act of 2006. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on service at both the beginning and the end of the current year. The plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's future benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the plan's ERISA funding requirements is equal to the Market Value of Assets minus a decreasing fraction of the investment gain or loss for each of the two immediately preceding plan years, but it cannot be less than 90% nor more than 110% of the Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7.5% per year) or the applicable statutory interest rate for the year. This method is specified in IRS Notice 2009-22 using a 24-month averaging period.

Appendix C

Summary of Actuarial Assumptions

Interest Rates

For minimum funding purposes: Full yield curve in effect one month prior to beginning of plan year. The equivalent effective interest rate is 8.00% per year.

Assumed Investment Return (for prior two plan years) and for SFAS 35 purposes: 7.5% per year, net of investment expenses.

Mortality

For minimum funding purposes: Statutory static tables for 2008 based on RP-2000 Mortality Table projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants.

For SFAS 35 purposes: RP-2000 Mortality Table, with blue collar adjustments for employees, projected with Scale AA on a generational basis, with employee rates before termination and healthy annuitant rates after termination.

Turnover

Turnover rates which vary by length of service were assumed.

<u>Length of Service</u>	<u>Rates</u>	<u>Length of Service</u>	<u>Rates</u>
0	15.0%	7	8.5%
1	15.0	8	7.0
2	15.0	9	6.5
3	13.0	10	6.5
4	11.0	11	5.5
5	11.0	12+	4.5
6	10.0		

Appendix C

Summary of Actuarial Assumptions

Retirement Rates

Retirement rates which vary by age were assumed.

<u>Age</u>	<u>Rate</u>
55-61	5%
62	15
63-64	10
65	35
66-69	25
70+	100

Terminated vested participants are assumed to retire at Normal Retirement Date, or attained age if later.

Disability Rates

120% of 1968-1972 Group LTD experience, excluding very large cases, published by the Society of Actuaries.

Hours of Service

All active participants are assumed to work at least 1,000 hours each year.

Form of Payment

At termination or retirement for active employees, if the lump sum value is less than \$5,000, a lump sum is assumed. Otherwise, a life annuity is assumed. Lump sums are determined using the plan basis in effect for the 2008 plan year.

Marital Characteristics

For participants not in pay status: 100% of participants are assumed to be married, with males 3 years older than females.

For participants in pay status: Actual birth dates of spouses are included in the census data, where relevant.

Administrative Expenses

None assumed payable from the trust.

Appendix C

Summary of Actuarial Assumptions

Special Data Adjustments

For terminated vested participants who are beyond Normal Retirement date and are currently less than age 80, an actuarial increase factor was applied to the vested accrued benefit.

Benefits Not Valued

None.

Changes in Actuarial Assumptions Since Prior Valuation

In order to comply with the Pension Protection Act of 2006 (PPA) for determining funding requirements, this valuation reflects the adoption of the full yield curve, a new statutory mortality table, and the Unit Credit cost method.

Per the Worker, Retiree and Employer Recovery Act (WRERA), this valuation reflects a 24-month smoothing method in determining the Adjusted Fair Market Value of Assets.

Rates of turnover and retirement were adjusted slightly to reflect recent experience, and a disability decrement assumption has been added.

Appendix A

Summary of Principal Plan Provisions

This summary of plan provisions is intended only to describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

1. Definitions

- a. Accrued Benefit: The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit, taking into account the Participant's Years of Service through the date of determination.
- b. Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump sum amounts, Actuarially Equivalent factors are based on the 1971 Group Annuity Mortality Table for Males projected by Scale E to 1976, with a one-year age setback and a 7.5% per year interest rate. For purposes of determining lump sum amounts, Actuarially Equivalent factors are based on the mortality table specified in Revenue Ruling 2007-67 and the statutory three-tier segment interest rates in effect for the first month prior to the beginning of the plan year.
- c. Fiscal Year: The 12-month period beginning January 1 and ending December 31.
- d. Plan Effective Date: The Plan became effective December 10, 1982. The Plan was last restated and amended effective December 10, 2000. The latest amendment is effective December 10, 2002.
- e. Plan Year: The 12-month period beginning December 10 and ending December 9.
- f. Vesting Service: A year of Vesting Service is credited for each calendar year in which 1,000 or more hours of service are credited to an employee.
- g. Years of Service: A Year of Service is credited for each calendar year in which 1,000 or more hours of service are credited to a union employee. No partial Years of Service are credited.

Appendix A

Summary of Principal Plan Provisions

2. Eligibility for Participation

Any employee who is a member of Service Employees' International Union Local 252 who has completed at least 1,000 hours of service during the 12-month period beginning with the employee's date of hire. Eligible employees become participants on the first of the month coincident or next following the date they become eligible.

3. Normal Retirement

- a. Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.
- b. Normal Retirement Benefit: For retirement on or after December 10, 1988, a monthly benefit of \$13.50 multiplied by Years of Service. For retirement on or after December 10, 1986 but prior to December 10, 1988, a monthly benefit of \$9.50 multiplied by Years of Service. For retirement prior to December 10, 1986, a monthly benefit of \$7.00 multiplied by Years of Service.

4. Early Retirement

- a. Early Retirement Date: The first day of the month coincident with or next following attainment of age 55 and completion of 15 Years of Service.
- b. Early Retirement Benefit: The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.

5. Deferred Retirement

- a. Deferred Retirement Date: The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.
- b. Deferred Retirement Benefit: The greater of (a) the Accrued Benefit determined as of the Deferred Retirement Date or (b) the Accrued Benefit determined as of the Normal Retirement Date and actuarially increased to the Deferred Retirement Date.

Appendix A

Summary of Principal Plan Provisions

6. Termination

- a. Termination Date: The date of termination of service other than for reasons of retirement, death, or disability.
- b. Termination Benefit: The Accrued Benefit, multiplied by the Vested Percentage below, payable at the Normal Retirement Date, or payable according to Early Retirement.

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 3	0%
3	20
4	40
5	60
6	80
7 or more	100

7. Preretirement Death

- a. Preretirement Death Benefit Eligibility: Surviving spouses of participants with a vested Accrued Benefit who die before commencement of payments.

Preretirement Death Benefit: 50% of the Accrued Benefit which would have been payable had the deceased participant instead terminated employment on the date of death, was considered to be 100% vested, survived to the earliest retirement date, elected a joint and 50% survivor annuity, and died on that same date.

8. Disability Retirement

- a. Disability Retirement Date: The first day of the month following termination of service due to a total and permanent disability that continued for six months.
- b. Disability Retirement Benefit: The Actuarial Equivalent of the Accrued Benefit.

Appendix A

Summary of Principal Plan Provisions

9. Forms of Payment

- a. Normal Forms: Life annuity if single; Actuarially Equivalent joint and 50% survivor annuity if married.
- b. Optional Forms: Life annuity; Actuarially Equivalent life annuity with 5 or 10 years certain; Actuarially Equivalent joint and 50%, 66-2/3%, 75%, or 100% survivor annuity.
- c. Small Lump Sums: Payable if the Actuarially Equivalent present value of the vested Accrued Benefit is \$5,000 or less.

10. Changes in Plan Provisions Since Prior Valuation

The Actuarially Equivalent basis for determining lump sum amounts has been changed to comply with the Pension Protection Act of 2006.