

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 <u>05/01/2009</u> and ending <u>04/30/2010</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>SCHWAB IND., INC. AND SUBS EE PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/01/1980</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>05/01/1980</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>05/01/1980</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SCHWAB INDUSTRIES, INC.</u> <u>C/O BRUNER COX</u> <u>P.O. BOX 35429</u> <u>CANTON, OH 44735-5429</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>34-0782467</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>330-497-2000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>327300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-0782467</u>	2c Sponsor's telephone number <u>330-497-2000</u>	2d Business code (see instructions) <u>327300</u>	
2b Employer Identification Number (EIN) <u>34-0782467</u>					
2c Sponsor's telephone number <u>330-497-2000</u>					
2d Business code (see instructions) <u>327300</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.	02/14/2011	DAVID SCHWAB
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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") SCHWAB INDUSTRIES, INC. C/O BRUNER COX P.O. BOX 35429 CANTON, OH 44735-5429	3b Administrator's EIN 34-0782467 3c Administrator's telephone number 330-497-2000
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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	
5 Total number of participants at the beginning of the plan year	5	821
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	299
b Retired or separated participants receiving benefits.....	6b	116
c Other retired or separated participants entitled to future benefits.....	6c	380
d Subtotal. Add lines 6a , 6b , and 6c	6d	795
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	22
f Total. Add lines 6d and 6e	6f	817
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	12
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:
 1B

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 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). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

▶ **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 <u>SCHWAB IND., INC. AND SUBS EE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SCHWAB INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>34-0782467</u>
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>05</u> Day <u>01</u> Year <u>2009</u>		
2 Assets:		
a Market value	2a <u>17145269</u>	
b Actuarial value	2b <u>18859796</u>	
3 Funding target/participant count breakdown		
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>123</u>	<u>6683837</u>
b For terminated vested participants	3b <u>338</u>	<u>4625367</u>
c For active participants:		
(1) Non-vested benefits	3c(1)	<u>122954</u>
(2) Vested benefits	3c(2)	<u>10632181</u>
(3) Total active	3c(3) <u>360</u>	<u>10755135</u>
d Total	3d <u>821</u>	<u>22064339</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
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	<u>7.62</u> %
6 Target normal cost	6	<u>556821</u>

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		<u>02/15/2011</u>
<u>SHEVA R. LEVY</u>	Signature of actuary	Date
<u>ERNST & YOUNG LLP</u>	Type or print name of actuary	<u>08-07070</u>
<u>925 EUCLID AVENUE</u> <u>CLEVELAND, OH 44115</u>	Firm name	Most recent enrollment number
		<u>216-861-5000</u>
	Address of the firm	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-SF.

Schedule SB (Form 5500) 2009
v.092308.1

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

Part III Funding percentages		
14 Funding target attainment percentage.....	14	85.47 %
15 Adjusted funding target attainment percentage.....	15	85.47 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	94.39 %
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
Totals ►			18(b)	18(c)	

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
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☒ No
c If 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

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 65
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 attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	344201
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	344201

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	556821
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	3204544	574556
b Waiver amortization installment		
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 (item 31 + item 32a + item 32b – item 33).....	34	1131377
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
36 Additional cash requirement (item 34 minus item 35).....	36	1131377
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	
38 Interest-adjusted excess contributions for current year (see instructions).....	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	1131377
40 Unpaid minimum required contribution for all years	40	1475578

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

A Name of plan SCHWAB IND., INC. AND SUBS EE PENSION PLAN	B Three-digit plan number (PN) ► 003
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SCHWAB INDUSTRIES, INC.	D Employer Identification Number (EIN) 34-0782467

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: KEY BANK TRUST MIT EB MMF		
b Name of sponsor of entity listed in (a): KEY BANK NA		
c EIN-PN 34-6514544-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1180862
a Name of MTIA, CCT, PSA, or 103-12 IE: KEY BANK TRUST MIT DIV STOCK FUND		
b Name of sponsor of entity listed in (a): KEY BANK NA		
c EIN-PN 34-6514544-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9638902
a Name of MTIA, CCT, PSA, or 103-12 IE: KEY BANK TRUST MIT EB MID CAP FUND		
b Name of sponsor of entity listed in (a): KEY BANK NA		
c EIN-PN 34-6514544-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1717429
a Name of MTIA, CCT, PSA, or 103-12 IE: KEY BANK TRUST MIT EB FIXED INCOME		
b Name of sponsor of entity listed in (a): KEY BANK NA		
c EIN-PN 34-6514544-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4720053
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

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 05/01/2009 and ending 04/30/2010		
A Name of plan SCHWAB IND., INC. AND SUBS EE PENSION PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 SCHWAB INDUSTRIES, INC.	D Employer Identification Number (EIN) 34-0782467	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	107896	366
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1960054	1180862
(2) U.S. Government securities.....	1c(2)	3594376	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	1238495	
(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)	8934457	16076384
(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)	1353585	2882972
(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	17188863	20140584

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	43594	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	43594	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17145269	20140584
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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)		
(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)		

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)	57974	
(C) Corporate debt instruments	2b(1)(C)	36601	
(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)		94575

(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)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	12285381	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	12255074	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		30307

		(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)		3250335
(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)		512949
c Other income.....	2c		25
d Total income. Add all income amounts in column (b) and enter total.....	2d		3888191

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	892876	
(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)		892876
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		892876

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2995315
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: BRUNER-COX LLP

(2) EIN: 34-0641962

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.		X	

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

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

For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

A Name of plan <u>SCHWAB IND., INC. AND SUBS EE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SCHWAB INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>34-0782467</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-6881356</u> 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 <u>0</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☒ No	☐ N/A

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

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

- c** What duration measure was used to calculate item 19(b)?

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

**Financial Statements and
Supplemental Schedules**

**Schwab Industries, Inc.
Employees' Pension Plan**

April 30, 2010 and 2009

BRUNER-COX LLP

Business Consultants & Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Schwab Industries, Inc. Employees' Pension Plan
Dover, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of the Schwab Industries, Inc. Employees' Pension Plan as of April 30, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, line 4i – Schedule of Assets (Held at End of Year), and (2) Schedule H, line 4j – Schedule of Reportable Transactions as of or for the year ended April 30, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by KeyBank National Association, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended April 30, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

As discussed in Note 10 to the financial statements, the Plan Sponsor has suffered recurring losses from operations and sold its operations subsequent to year end. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Because of the significance of the information that we did not audit and due to the magnitude of the potential effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bruner-Cox, LLP

Canton, Ohio
February 15, 2011

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

April 30, 2010 and 2009

	2010	2009
ASSETS		
Investments at fair value		
U. S. Federal Government and Agency obligations	\$ -	\$ 3,594,376
Corporate obligations	-	1,238,495
Common/collective trusts	16,076,384	8,934,457
Mutual funds	2,882,972	1,353,585
Cash equivalents	1,180,862	1,960,054
	<u>20,140,218</u>	<u>17,080,967</u>
Receivables		
Accrued income receivable	366	62,849
Other receivables	-	45,047
	<u>366</u>	<u>107,896</u>
Total assets	20,140,584	17,188,863
Other payables	-	43,594
Net assets available for benefits	<u>\$ 20,140,584</u>	<u>\$ 17,145,269</u>

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

For the years ended April 30, 2010 and 2009

	2010	2009
ADDITIONS TO ASSETS		
Employer contributions	\$ -	\$ 654,000
Interest and dividends	148,632 38	0,054
Net appreciation (depreciation) in fair value of investments	3,739,559	(4,643,343)
Total additions	3,888,191	(3,609,289)
DEDUCTIONS FROM ASSETS		
Benefit payments	892,876 82	9,562
Total deductions	892,876	829,562
Net increase (decrease) in net assets available for benefits	2,995,315	(4,438,851)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	17,145,269	21,584,120
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 20,140,584	\$ 17,145,269

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

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 1. Description of the Plan

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

General

The Plan is a defined benefit pension plan designed to provide retirement benefits to substantially all employees of Schwab Industries, Inc. and Subsidiaries (the Company) who have completed one year of service and are age twenty-one or older. A participant is fully vested after five years of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pension Benefits

Under the terms of an agreement with the Company, participants are eligible for monthly benefit payments upon reaching age 65 or may receive early retirement pension benefits (up to 10 years early) providing 10 years of continuous service have been attained.

The monthly amount of normal retirement benefits is calculated by the formula below:

\$38 multiplied by the participant's completed years and months of service with the Company.

Death and Disability Benefits

If a participant dies, a death benefit equal to the value of the employee's accumulated pension benefits is paid to the employee's spouse. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time disabled participants begin receiving normal retirement benefits computed based upon years of credited service as of the date of disability.

Note 2. Significant Accounting Policies

The accompanying financial statements reflect the application of certain accounting policies described in this note.

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Cash Equivalents

The Plan considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. These funds are held temporarily until investments are purchased.

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 service that the employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits under the Plan are based on the participant's years of credited service.

Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided through annuity contracts are excluded from plan assets and are also excluded from accumulated plan benefits.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 2. Significant Accounting Policies (Continued)

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Ernst & Young, LLP, and is that 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 assumptions underlying the actuarial computations as of April 30, 2009 include: (a) assumed retirement age of 65 for employees with five or more years of service; (b) assumed rate of return on investments of 7.3% compounded annually; (c) assumed mortality, turnover, retirement and disability rates based on statistical data and tables. The foregoing actuarial assumptions are 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.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Administrative expenses of the Plan are paid by the Company. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

Recent Accounting Pronouncements

In September 2009, FASB issued an amendment "Investment in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)" (ASU 2009-12), which provides guidance on how entities should estimate the fair value of certain alternative investments. The fair value of investments within the scope of this guidance can now be determined using net asset value (NAV) per share as a practical expedient, when the fair value is not readily determinable, unless it is probable the investment will be sold at something other than NAV. It also requires disclosure of certain attributes by major category of alternative investments, regardless of whether the practical expedient was used. See Note 6 for the impact of the adoption.

Pending Accounting Pronouncements

In January 2010, FASB issued amendment "Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements" (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 2. Significant Accounting Policies (Continued)

With respect to matters other than Level 3 measurements, the amendment was effective for periods beginning on or after December 15, 2009. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010. We are currently evaluating the impact of this new guidance on our disclosures.

Reclassifications

Certain amounts presented in 2009 have been reclassified to conform to 2010 presentation.

Subsequent Events

The Plan Administrator has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available to be issued.

Note 3. Obligation for Pension Benefits

The Company has voluntarily agreed to make contributions to the Plan sufficient to meet the minimum funding requirements of Section 412 of the Internal Revenue Code. Although the Company has not expressed any intent to terminate the pension plan agreement, it may do so at any time. Under provisions of the Employee Retirement Income Security Act of 1974, if the Plan is terminated, the Company may be obligated to make termination payments to the Plan and participants may be eligible for continuation of benefits under insurance provided by the Pension Benefit Guaranty Company ("PBGC").

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

In the event of a complete termination of the Plan, the assets then remaining in the Plan, subject to provision for expenses of administration or liquidation, shall be allocated in the following priority: 1) equally among retirement benefits of individuals who began receiving benefits at least three years before termination or who would have been eligible for retirement three years prior to termination; 2) among all other retirement benefits of individuals under the Plan guaranteed under the termination insurance provisions of the Employee Retirement Income Security Act of 1974, in accordance with the rulings of the PBGC; 3) among all other uninsured vested benefits under the Plan; and 4) among all other benefits under the Plan. Any assets remaining after the satisfaction of all liabilities will be paid to the employer.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 4. Present Value of Accumulated Plan Benefits

The most recent accumulated Plan benefit information as of the Plan is summarized as follows at April 30, 2009:

Actuarial present value of accumulated plan benefits	
Vested benefits	
Participants currently receiving payments	\$ 6,496,654
Other participants	15,263,030
	<u>21,759,684</u>
Nonvested benefits	126,617
	<u>\$ 21,886,301</u>

The changes in the actuarial present value of accumulated Plan benefits of the Plan are summarized as follows at April 30, 2009:

Actuarial present value of accumulated Plan benefits at April 30, 2008	\$ 20,150,916
Increase (decrease) during the year attributable to	
Benefits accumulated	521,644
Change in actuarial assumptions	562,530
Increase for change in the discount period	1,480,773
Benefits paid	(829,562)
Actuarial present value of accumulated Plan benefits at April 30, 2009	<u><u>\$ 21,886,301</u></u>

Note 5. Investments

All investment information including investments held as of April 30, 2010 and 2009, interest and dividend income and net appreciation (depreciation) in fair value of investments for the years then ended, included in the Plan's financial statements and supplemental schedule, was prepared by or derived from information provided by KeyBank National Association, the trustee and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the investments is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the investment information.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 5. Investments (Continued)

The fair values investments that represent 5% or more of the Plan's net assets as of April 30 are as follows:

	2010	2009
U. S. Treasury Notes	\$ -	\$ 1,033,497
U. S. Treasury Notes	-	1,500,346
Common/collective trusts		
EB Diversified Stock Fund	9,638,902	7,150,842
EB Mid Cap Fund	1,717,429	1,203,118
*EB Fixed Income Fund	4,720,053	580,496
Mutual Funds		
*Templeton Global Bond Fund	1,009,680	-
EB Money Market Fund	1,180,862	1,960,054

*Investment less than 5% but presented for comparison purposes only

Appreciation (depreciation) in fair value of investments (including gains and losses on investments bought and sold, as well as held during the year) is detailed at April 30 as follows:

	2010	2009
Fair value as determined by quoted market price		
U. S. Federal Government and Agency obligations	\$ (48,587)	\$ 68,662
Corporate obligations	78,894 (100	,189)
Common/collective trust	3,033,256	(3,612,263)
Mutual funds	675,996	(999,553)
	<u>\$ 3,739,559</u>	<u>\$ (4,643,343)</u>
Interest and dividends	<u>\$ 148,632</u>	<u>\$ 380,054</u>

Note 6. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements 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:

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 6. Fair Value Measurements (Continued)

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 April 30, 2010 and 2009.

U. S. Federal Government and Agency Obligations: Valued at the closing price reported in the active market in which the individual security is traded.

Corporate Obligations: Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Common/Collective Trusts: Valued at fair value based on the unit prices quoted by the fund, representing the fair value of its underlying investments.

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

Cash Equivalents: Shares of a money market portfolio which is valued at 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.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 6. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of April 30:

	Assets at fair value as of April 30, 2010			
	Level 1	Level 2	Level 3	Total
U. S. Federal Government and				
Agency obligations	\$ -	\$ -	\$ -	\$ -
Corporate obligations	-	-	-	-
Common/collective trusts	-	-	16,076,384	16,076,384
Mutual funds				
Growth Funds	159,864	-	-	159,864
International Funds	1,713,428	-	-	1,713,428
Bond Funds	1,009,680	-	-	1,009,680
Cash equivalents	1,180,862	-	-	1,180,862
Total assets at fair value	\$ 4,063,834	\$ -	\$ 16,076,384	\$ 20,140,218

	Assets at fair value as of April 30, 2009			
	Level 1	Level 2	Level 3	Total
U. S. Federal Government and				
Agency obligations	\$ 3,594,376	\$ -	\$ -	\$ 3,594,376
Corporate obligations	1,238,495	-	-	1,238,495
Common/collective trusts	-	-	8,934,457	8,934,457
Mutual funds	1,353,585	-	-	1,353,585
Cash equivalents	1,960,054	-	-	1,960,054
Total assets at fair value	\$ 8,146,510	\$ -	\$ 8,934,457	\$ 17,080,967

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended April 30, 2010 and 2009.

	April 30, 2010
	Common/ collective trusts
Balance, beginning of year	\$ 8,934,457
Unrealized gains (losses) relating to instruments still held at the reporting date	3,016,660
Purchases, sales, issuances and settlements (net)	4,125,267
Balance, end of year	\$ 16,076,384

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 6. Fair Value Measurements (Continued)

	April 30, 2009
	Common/ collective trusts
Balance, beginning of year	\$ 11,712,519
Unrealized gains (losses) relating to instruments still held at the reporting date	(187,141)
Purchases, sales, issuances and settlements (net)	(2,590,921)
Balance, end of year	\$ 8,934,457

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

The following table sets forth additional disclosures of the Plan's investments whose fair value is estimated using net asset value per share (or its equivalent) as of April 30, 2010:

Investment	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trusts (a)	\$16,076,384	\$ -	Daily	None

- (a) This category includes a common collective trust which seeks to provide preservation of capital, liquidity and current income at levels that are typically higher than those provided by money-market funds and similar to short or intermediate term bond funds without the volatility, before deduction of expenses. The fund's strategy seeks to invest primarily in guaranteed investment contracts. Investments in this category can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets. The fair value of investment(s) in this category has been estimated using the net asset value per share of the underlying investment(s).

Note 7. Income Tax Status

The Internal Revenue Service ruled on September 18, 2002, that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax law. The Plan has been amended since receiving this ruling. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

The Financial Accounting Standards Board issued new guidance on accounting for uncertainty in income taxes. The Plan adopted this new guidance for the year ended April 30, 2010. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

NOTES TO FINANCIAL STATEMENTS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

Note 8. 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 statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are 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 9. Partial Plan Termination

During 2009, the Schwab Industries, Inc. downsized its operations which resulted in a partial liquidation of the Plan. This resulted in a curtailment as reported by the actuary in the amount of \$76,476 in the prior year. All participants affected by the partial liquidation were 100% vested in their accounts prior to distributions being taken.

Note 10. Subsequent Events

On December 10, 2009, Schwab Industries, Inc.'s Board of Directors voted to freeze benefits and ceased all benefit accruals for participants in the Plan effective May 1, 2010. Management also notified all participants of its decision on this date. This resulted in a curtailment loss as reported by the actuary in the amount of \$238,327.

During and after the Plan year the Plan Sponsor was unable to make its required contributions as a result of continued operating losses. The Plan Sponsor sold its operations subsequent to year-end and is currently in the process of taking the steps for a PBGC take over of the Plan.

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

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

EIN 34-0782034

PN 003

April 30, 2010

(a) <i>Identity of issue, borrower, lessor or similar party</i>	(c) <i>Description of investment including maturity date, rate of interest, collateral, and par or maturity value</i>	(d) <i>Cost</i>	(e) <i>Current value</i>
Cash Equivalents			
* E B Money Market Fund		\$ 1,180,862	\$ 1,180,862
Equity Mutual Funds			
Templeton Instl. Foreign Equity	37,939 shares	887,742	723,876
Victory Small Company	5,653 shares	100,000	159,864
Masters Select International FD			
Open end Fund	74,627 shares	1,000,000	989,552
Templeton Global Bond Fund	74,460 shares	1,000,000	1,009,680
Total Equity Mutual Funds		2,987,742	2,882,972
Common/Collective Trusts			
* EB Fixed Income	26,594 shares	4,512,726	4,720,053
* EB Diversified Stock Fund	627,173 shares	7,029,587	9,638,902
* EB Mid Cap Fund	85,836 shares	1,517,411	1,717,429
Total Common/Collective Trusts		13,059,724	16,076,384
Total Investments		\$ 17,228,328	\$ 20,140,218

* Party-in-interest to the Plan

The above information has been certified by KeyBank National Association, the trustee, as complete and accurate.

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN
EIN 34-0782034
PN 003

For the year ended April 30, 2010

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Single Transactions KeyBank National Association	E B Money Market Fund	\$ 1,062,848	\$ -	\$ -	\$ -	\$ -	\$ 1,062,848	\$ -
	United States Treasury Notes; 3.875%, due 05/15/09	1,044,627	1,032,000	-	-	1,044,627	1,044,627	(12,627)
	United States Treasury Notes; 2.75%, due 02/15/19	1,581,777	1,522,008	-	-	1,581,777	1,581,777	(59,769)
	United States Treasury Notes; 3.125%, due 05/15/19	1,500,983	-	-	-	-	1,500,983	-
	United States Treasury Notes; 2.125%, due 04/30/10	1,158,213	-	-	-	-	1,158,213	-
	United States Treasury Notes; 3.125%, due 05/15/19	1,249,129	1,223,246	-	-	1,249,129	1,249,129	(25,883)
	United States Treasury Notes; 3.625%, due 08/15/19	1,228,826	-	-	-	-	1,228,826	-
	United States Treasury Notes; 3.625%, due 08/15/19	1,342,244	1,353,129	-	-	1,342,244	1,342,244	10,885
	United States Treasury Notes; 3.375%, due 11/15/19	1,299,195	-	-	-	-	1,299,195	-
	United States Treasury Notes; 2.125%, due 04/30/10	1,595,269	1,584,624	-	-	1,595,269	1,595,269	(10,645)
	United States Treasury Notes; 3.375%, due 11/15/19	1,299,195	1,298,022	-	-	1,299,195	1,299,195	(1,173)
	EB Fixed Income Fund	4,901,107	-	-	-	-	4,901,107	-

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS (CONTINUED)

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

EIN 34-0782034

PN 003

For the year ended April 30, 2010

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Series Transactions								
KeyBank National Association	E B Money Market Fund	\$ 1,919,999	\$ 2,699,191	-	\$ -	\$ 4,619,190	4,619,190	\$ -
	EB Fixed Income Fund	4,901,107	999,762	-	-	5,900,869	5,864,087	36,782
	Templeton Global Bond Fund	1,000,000	-	-	-	-	-	-
	United States Treasury Notes; 2.125% due 04/30/10	1,925,404	1,913,816	-	-	3,839,220	3,850,808	(11,588)
	United States Treasury Notes; 3.125% due 5/15/19	1,631,707	1,600,063	-	-	3,231,770	3,263,414	(31,644)
	United States Treasury Notes; 3.625% due 8/15/19	1,387,857	1,399,333	-	-	2,787,190	2,775,713	11,477
	United States Treasury Notes; 3.375% due 11/15/19	1,299,195	1,298,022	-	-	2,597,217	2,598,390	(1,173)

This information has been certified by KeyBank National Association, the trustee, as complete and accurate.

Attachment to 2009 Form 5500
Plan: Schwab Industries, Inc. Employees' Pension Plan
EIN: 34-0782467 PN: 003
Schedule SB, Part V – Summary of Plan Provisions

Original Effective Date: May 1, 1980.

Latest Amendment: Effective December 31, 2002.

Plan Year: May 1 through April 30.

Participation: Each employee who is not a Plan Participant will be eligible to participate in the Plan on January 1 or July 1 after completion of one year of service and attainment of age twenty-one.

Credited Service: One year of Credited Service for each Plan Year in which an employee completes 1,000 hours of service.

Vesting Service: One year of Vesting Service for each Plan Year in which an employee completes 1,000 hours of service.

Retirement Date:
Normal—first day of month after the later of attainment of age sixty-five and the fifth anniversary of Plan participation.
Early—attainment of age fifty-five and ten years of Vesting Service.
Disability—on total and permanent disability after ten years of Vesting Service.

Normal Retirement Benefit: Monthly amount equal to \$38.00 per year of Credited Service at retirement.

Early Retirement Benefit: Normal Retirement Benefit reduced $1/180^{\text{th}}$ per month less than age sixty-five to age sixty, and $1/360^{\text{th}}$ per month less than age sixty.

Accrued Benefit: \$38.00 per year of Credited Service.

Disability Benefit: Accrued Normal Retirement Benefit. Payable after twenty-six weeks of disablement. Payments are offset by Worker's Compensation and other disability benefits.

Termination Benefit: Accrued benefit at termination deferred until normal retirement age. Participant must have at least five years of Vesting Service.

Death Benefit: 50% of the termination benefit reduced for joint and survivor coverage payable on the first of the month after the Participant's death.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Part V – Summary of Plan Provisions

- Normal Form of Payment:** The normal form of benefit is a life only benefit. A married Participant will receive an ERISA required 50% Qualified Joint and Survivor Annuity, which is actuarially reduced. Optional forms of payment are available, subject to the written consent of the Participant's spouse.
- Optional Forms of Payment:** 75% joint and survivor
100% joint and survivor
Lump sum less than \$3,500
Optional forms of payment are actuarially reduced and are available, subject to the written consent of the Participant's spouse.
- Actuarial Equivalence:** Annuity form – An interest rate of 7.50% and the UP-1984 mortality table with a one-year set forward for employees and a four-year set back for beneficiaries.

Lump sum form – Segment rates and applicable mortality in accordance with 417(e), utilizing a lookback month of April.
- Minimum Plan Benefit:** Accrued benefit as of December 31, 1988 provided by prior plan.
- Profit Sharing Plan:** Employees participating in the prior Profit Sharing Plan in effect on April 30, 1980 are guaranteed that benefits payable under this Plan shall not be less than the benefits which could be provided by the employer portion of their Profit Sharing Account Balances on April 30, 1980 plus interest of 5.5% annually to date of retirement.

Furthermore, such employees may elect, upon termination, to receive a refund of their prior Profit Sharing Account Balance on April 30, 1980 with 5.5% interest applied annually up to the date of distribution; if such an election is made, any benefits payable from this Plan are actuarially reduced to account for such refund. Account balances attributable to employee contributions were refunded.
- Additional Provision for the Eastern Cement Participants:** An amendment effective December 31, 2001 granted past Credited Service to the twenty acquired employees for the years worked at Eastern Cement Corporation, as long as they remain active employees of Schwab Industries, Inc. through February 9, 2006 (with a special provision for those acquired employees who had attained age sixty at the date of acquisition).

Changes Since the Prior Valuation

The plan was amended to freeze participation and benefit accruals effective 30 April 2010. The plan freeze was not reflected in the 1 May 2009 valuation results.

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

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

EIN 34-0782034

PN 003

April 30, 2010

(a) <i>Identity of issue, borrower, lessor or similar party</i>	(c) <i>Description of investment including maturity date, rate of interest, collateral, and par or maturity value</i>	(d) <i>Cost</i>	(e) <i>Current value</i>
Cash Equivalents			
* E B Money Market Fund		\$ 1,180,862	\$ 1,180,862
Equity Mutual Funds			
Templeton Instl. Foreign Equity	37,939 shares	887,742	723,876
Victory Small Company	5,653 shares	100,000	159,864
Masters Select International FD			
Open end Fund	74,627 shares	1,000,000	989,552
Templeton Global Bond Fund	74,460 shares	1,000,000	1,009,680
Total Equity Mutual Funds		2,987,742	2,882,972
Common/Collective Trusts			
* EB Fixed Income	26,594 shares	4,512,726	4,720,053
* EB Diversified Stock Fund	627,173 shares	7,029,587	9,638,902
* EB Mid Cap Fund	85,836 shares	1,517,411	1,717,429
Total Common/Collective Trusts		13,059,724	16,076,384
Total Investments		<u>\$ 17,228,328</u>	<u>\$ 20,140,218</u>

* Party-in-interest to the Plan

The above information has been certified by KeyBank National Association, the trustee, as complete and accurate.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, line 26 – Schedule of Active Participant Data

	YEARS OF CREDITED SERVICE																					
Attained Age	0 to 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.	
	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp	No.	Comp
Under 25	0		0		0		0		0		0		0		0		0		0		0	
25 to 29	0		3		4		0		0		0		0		0		0		0		7	
30 to 34	0		3		5		2		0		0		0		0		0		0		10	
35 to 39	0		6		5		10		9		0		0		0		0		0		30	
40 to 44	0		6		13		14		12		5		1		0		0		0		51	
45 to 49	0		6		12		13		11		9		1		0		0		0		52	
50 to 54	0		12		11		15		16		17		6		6		0		0		83	
55 to 59	0		5		12		17		11		17		4		4		2		0		72	
60 to 64	0		2		8		3		5		6		4		8		8		3		47	
65 to 69	0		0		0		1		3		1		0		0		0		0		5	
70 & up	0		0		0		0		1		1		0		0		0		1		3	
	0		43		70		75		68		56		16		18		10		4		360	

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Economic Assumptions

Effective interest rate

7.62%

The effective funding interest rate is the single equivalent rate based on the March 2009 IRS mandated monthly corporate bond yield curve and expected future benefit payments under the plan.

Administrative expenses included in funding target normal cost

N/A

Demographic Assumptions

Turnover Rates

<u>Age</u>	<u>Rates</u>
25	.096742
30	.093031
35	.087062
40	.077543
45	.063540
50	.042247
55	.015488
60	.001465
65	—

Mortality

IRS 2009 Static Mortality Table

Retirement Age

Age 65

Marital Assumptions

80% of all employees eligible for death benefits are assumed to be married, with females being three years younger than the males.

Actuarial Methods

Actuarial Cost Method:

Unit Credit Cost Method -- This is the prescribed method under PPA and FAS 35. The objective under this method is to fund accrued benefits under the plan as related to service rendered by employees. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced there will be an initial Funding Target for benefits credited for service prior to that date, and to the extent that this liability is not covered by Plan Assets, there is a Funding Shortfall to be funded over a seven year period in accordance with the shortfall amortization schedule.

The Funding Target is the present value of benefits accrued or earned under the plan as of the beginning of the plan year.

The Target Normal Cost is the present value of all benefits which are expected to accrue or to be earned under the plan during the plan year. For salary based benefit formulas the Target Normal Cost recognizes the effect of one year of salary increases.

The Funding Shortfall at the valuation date is the excess, if any, of the funding target for the plan year, over the adjusted actuarial value of assets. In the event the actuarial value of assets exceeds the funding target and other requirements are met, a portion of the excess assets could be used toward satisfying the minimum required contribution.

Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities (such as investment return or employee turnover, for example) will emerge as adjustments in the Funding Shortfall, subject to amortization.

Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WREERA using the previous 24 months as a smoothing period with 12 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

**Mandated Interest Rates
For Funding Target:**

Spot rates per the March 2009 monthly corporate bond yield curve.

Employees Valued:

All active and inactive participants are included in this valuation. Newly hired employees who have completed 1,000 hours of service by the valuation date are included in the valuation.

Benefits Valued:

To the best of our knowledge, all benefits have been included in the liabilities, in accordance with the actuarial assumptions.

Section 415 Limits:

Benefits were limited in accordance with section 415(b), which equals \$195,000 per annum on a straight life basis.

**Events and Trends Not
Included:**

We are not aware of any event or trend which has occurred that would have a material impact on this valuation.

Other Considerations:

The Plan is assumed not to be top-heavy. No testing under Section 416 of the Code was performed; however, it is unlikely for the Plan to be top-heavy due to the large number of rank-and-file employees.

The financial data submitted by the plan sponsor is being used without further audit. The census data submitted appears to be consistent with the data used for the prior valuation.

Changes since the prior valuation

The asset method was changed to use a smoothing period of 24 months with 12 months between determination dates. The previous method used a smoothing period of 6 months with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

There have been no other changes to the actuarial methods.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, line 32 – Schedule of Amortization Bases

Shortfall Amortization Base	Date Established	Installment	Remaining Period (years)	Present Value
2008 base	5/1/2008	\$ 218,755	6	\$ 1,131,278
2009 base	5/1/2009	<u>\$ 355,801</u>		\$ 2,073,266
Total Shortfall Amortization Bases		\$ 574,556		\$ 3,204,544

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Line 25 – Change in Method

The asset method was changed to use a smoothing period of 24 months with 12 months between determination dates. The previous method used a smoothing period of 6 months with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Previous Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WRERA using the previous 6 months as a smoothing period with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value

New Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WRERA using the previous 24 months as a smoothing period with 12 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

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

Age 65 or age on the valuation date if greater.

919101 / 04-24-09 LHA

SCHWAB INDUSTRIES, INC.

34-0782467

FORM 5558

PLANS COVERED BY THIS APPLICATION
SCHWAB IND., INC. AND SUBS EE PENSION PLAN

STATEMENT 1
PLAN NUMBER 003

PLAN NAME	PLAN NUMBER	PLAN YEAR ENDING		
		MON	DAY	YEAR
SCHWAB INDUSTRIES, INC. EMPLOYEE BENEFIT PLAN	501	4	30	2010
SCHWAB INDUSTRIES, INC. PREMIUM ONLY PLAN	502	4	30	2010
SCHWAB INDUSTRIES, INC. EMPLOYEE SAVINGS 401	002	4	30	2010
SCHWAB IND., INC. AND SUBS EE PENSION PLAN	003	4	30	2010

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN

EIN 34-0782034

PN 003

For the year ended April 30, 2010

<i>(a)</i> <i>Identity of</i> <i>party involved</i>	<i>(b)</i> <i>Description of asset</i>	<i>(c)</i> <i>Purchase</i> <i>price</i>	<i>(d)</i> <i>Selling</i> <i>price</i>	<i>(e)</i> <i>Lease</i> <i>rental</i>	<i>(f)</i> <i>Expense</i> <i>incurred with</i> <i>transaction</i>	<i>(g)</i> <i>Cost of</i> <i>asset</i>	<i>(h)</i> <i>Current value</i> <i>of asset on</i> <i>transaction</i> <i>date</i>	<i>(i)</i> <i>Net gain or</i> <i>(loss)</i>
Single Transactions								
KeyBank National Association	E B Money Market Fund	\$ 1,062,848	\$ -	\$ -	\$ -	\$ -	\$ 1,062,848	\$ -
	United States Treasury Notes; 3.875%, due 05/15/09	1,044,627	1,032,000	-	-	1,044,627	1,044,627	(12,627)
	United States Treasury Notes; 2.75%, due 02/15/19	1,581,777	1,522,008	-	-	1,581,777	1,581,777	(59,769)
	United States Treasury Notes; 3.125%, due 05/15/19	1,500,983	-	-	-	-	1,500,983	-
	United States Treasury Notes; 2.125%, due 04/30/10	1,158,213	-	-	-	-	1,158,213	-
	United States Treasury Notes; 3.125%, due 05/15/19	1,249,129	1,223,246	-	-	1,249,129	1,249,129	(25,883)
	United States Treasury Notes; 3.625%, due 08/15/19	1,228,826	-	-	-	-	1,228,826	-
	United States Treasury Notes; 3.625%, due 08/15/19	1,342,244	1,353,129	-	-	1,342,244	1,342,244	10,885
	United States Treasury Notes; 3.375%, due 11/15/19	1,299,195	-	-	-	-	1,299,195	-
	United States Treasury Notes; 2.125%, due 04/30/10	1,595,269	1,584,624	-	-	1,595,269	1,595,269	(10,645)
	United States Treasury Notes; 3.375%, due 11/15/19	1,299,195	1,298,022	-	-	1,299,195	1,299,195	(1,173)
	EB Fixed Income Fund	4,901,107	-	-	-	-	4,901,107	-

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS (CONTINUED)

SCHWAB INDUSTRIES, INC. EMPLOYEES' PENSION PLAN
EIN 34-0782034
PN 003

For the year ended April 30, 2010

<i>(a)</i> <i>Identity of</i> <i>party involved</i>	<i>(b)</i> <i>Description of asset</i>	<i>(c)</i> <i>Purchase</i> <i>price</i>	<i>(d)</i> <i>Selling</i> <i>price</i>	<i>(e)</i> <i>Lease</i> <i>rental</i>	<i>(f)</i> <i>Expense</i> <i>incurred with</i> <i>transaction</i>	<i>(g)</i> <i>Cost of</i> <i>asset</i>	<i>(h)</i> <i>Current value</i> <i>of asset on</i> <i>transaction</i> <i>date</i>	<i>(i)</i> <i>Net gain or</i> <i>(loss)</i>
Series Transactions								
KeyBank National Association	E B Money Market Fund	\$ 1,919,999	\$2,699,191	\$ -	\$ -	\$ 4,619,190	4,619,190	\$ -
	EB Fixed Income Fund	4,901,107	999,762	-	-	5,900,869	5,864,087	36,782
	Templeton Global Bond Fund	1,000,000	-	-	-	-	-	-
	United States Treasury Notes; 2.125% due 04/30/10	1,925,404	1,913,816	-	-	3,839,220	3,850,808	(11,588)
	United States Treasury Notes; 3.125% due 5/15/19	1,631,707	1,600,063	-	-	3,231,770	3,263,414	(31,644)
	United States Treasury Notes; 3.625% due 8/15/19	1,387,857	1,399,333	-	-	2,787,190	2,775,713	11,477
	United States Treasury Notes; 3.375% due 11/15/19	1,299,195	1,298,022	-	-	2,597,217	2,598,390	(1,173)

This information has been certified by KeyBank National Association, the trustee, as complete and accurate.

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). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

▶ **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 Schwab Industries, Inc. Employees' Pension Plan	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;">003</td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> <tr> <td colspan="2">D Employer Identification Number (EIN) 34-0782467</td> </tr> </table>	B Three-digit plan number (PN) ▶	003			D Employer Identification Number (EIN) 34-0782467	
B Three-digit plan number (PN) ▶	003						
D Employer Identification Number (EIN) 34-0782467							
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Schwab Industries, Inc.							
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500							

Part I Basic Information			
1 Enter the valuation date: Month <u>5</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	17,145,269	
b Actuarial value.....	2b	18,859,796	
3 Funding target/participant count breakdown			
	(1) Number of participants	(2) Funding Target	
a For retired participants and beneficiaries receiving payment.....	3a	123	6,683,837
b For terminated vested participants	3b	338	4,625,367
c For active participants:			
(1) Non-vested benefits.....	3c(1)		122,954
(2) Vested benefits.....	3c(2)		10,632,181
(3) Total active	3c(3)	360	10,755,135
d Total.....	3d	821	22,064,339
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
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	7.62 %	
6 Target normal cost.....	6	556,821	

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	<u>2/14/11</u> Date 08-07070
	Sheva R. Levy Type or print name of actuary	Most recent enrollment number (216) 861-5000
	Ernst & Young LLP Firm name	Telephone number (including area code)
	925 Euclid Avenue Address of the firm	
	Cleveland OH 44115-	

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-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

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

Part III Funding percentages

14 Funding target attainment percentage.....	14	85.47 %
15 Adjusted funding target attainment percentage.....	15	85.47 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	94.39 %
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
Totals ▶			18(b)	0	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No

c If 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

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

21 Discount rate:			
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %
			☒ N/A, full yield curve used
b Applicable month (enter code)			21b
22 Weighted average retirement age			22 65
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 attachment.	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	344,201
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	344,201

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	556,821
32 Amortization installments:		
a Net shortfall amortization installment	Outstanding Balance	Installment
	3,204,544	574,556
b Waiver amortization installment		
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 (item 31 + item 32a + item 32b - item 33)	34	1,131,377
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35)	36	1,131,377
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	0
38 Interest-adjusted excess contributions for current year (see instructions)	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	1,131,377
40 Unpaid minimum required contribution for all years	40	1,475,578

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

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

Age 65 or age on the valuation date if greater.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Line 25 – Change in Method

The asset method was changed to use a smoothing period of 24 months with 12 months between determination dates. The previous method used a smoothing period of 6 months with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Previous Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WRERA using the previous 6 months as a smoothing period with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value

New Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WRERA using the previous 24 months as a smoothing period with 12 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Attachment to 2009 Form 5500
Plan: Schwab Industries, Inc. Employees' Pension Plan
EIN: 34-0782467 PN: 003
Schedule SB, line 26 – Schedule of Active Participant Data

	YEARS OF CREDITED SERVICE																					
Attained Age	0 to 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp
Under 25	0		0		0		0		0		0		0		0		0		0		0	
25 to 29	0		3		4		0		0		0		0		0		0		0		7	
30 to 34	0		3		5		2		0		0		0		0		0		0		10	
35 to 39	0		6		5		10		9		0		0		0		0		0		30	
40 to 44	0		6		13		14		12		5		1		0		0		0		51	
45 to 49	0		6		12		13		11		9		1		0		0		0		52	
50 to 54	0		12		11		15		16		17		6		6		0		0		83	
55 to 59	0		5		12		17		11		17		4		4		2		0		72	
60 to 64	0		2		8		3		5		6		4		8		8		3		47	
65 to 69	0		0		0		1		3		1		0		0		0		0		5	
70 & up	0		0		0		0		1		1		0		0		0		1		3	
	0		43		70		75		68		56		16		18		10		4		360	

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, line 32 – Schedule of Amortization Bases

Shortfall Amortization Base	Date Established	Installment	Remaining Period (years)	Present Value
2008 base	5/1/2008	\$ 218,755	6	\$ 1,131,278
2009 base	5/1/2009	<u>\$ 355,801</u>		\$ 2,073,266
Total Shortfall Amortization Bases		\$ 574,556		\$ 3,204,544

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Economic Assumptions

Effective interest rate

7.62%

The effective funding interest rate is the single equivalent rate based on the March 2009 IRS mandated monthly corporate bond yield curve and expected future benefit payments under the plan.

Administrative expenses included in funding target normal cost

N/A

Demographic Assumptions

Turnover Rates

<u>Age</u>	<u>Rates</u>
25	.096742
30	.093031
35	.087062
40	.077543
45	.063540
50	.042247
55	.015488
60	.001465
65	—

Mortality

IRS 2009 Static Mortality Table

Retirement Age

Age 65

Marital Assumptions

80% of all employees eligible for death benefits are assumed to be married, with females being three years younger than the males.

Actuarial Methods

Actuarial Cost Method:

Unit Credit Cost Method -- This is the prescribed method under PPA and FAS 35. The objective under this method is to fund accrued benefits under the plan as related to service rendered by employees. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced there will be an initial Funding Target for benefits credited for service prior to that date, and to the extent that this liability is not covered by Plan Assets, there is a Funding Shortfall to be funded over a seven year period in accordance with the shortfall amortization schedule.

The Funding Target is the present value of benefits accrued or earned under the plan as of the beginning of the plan year.

The Target Normal Cost is the present value of all benefits which are expected to accrue or to be earned under the plan during the plan year. For salary based benefit formulas the Target Normal Cost recognizes the effect of one year of salary increases.

The Funding Shortfall at the valuation date is the excess, if any, of the funding target for the plan year, over the adjusted actuarial value of assets. In the event the actuarial value of assets exceeds the funding target and other requirements are met, a portion of the excess assets could be used toward satisfying the minimum required contribution.

Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities (such as investment return or employee turnover, for example) will emerge as adjustments in the Funding Shortfall, subject to amortization.

Asset Method:

Averaged Assets method under Section 430(g)(3)(B) as amended by WREERA using the previous 24 months as a smoothing period with 12 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

Attachment to 2009 Form 5500

Plan: Schwab Industries, Inc. Employees' Pension Plan

EIN: 34-0782467 PN: 003

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

**Mandated Interest Rates
For Funding Target:**

Spot rates per the March 2009 monthly corporate bond yield curve.

Employees Valued:

All active and inactive participants are included in this valuation. Newly hired employees who have completed 1,000 hours of service by the valuation date are included in the valuation.

Benefits Valued:

To the best of our knowledge, all benefits have been included in the liabilities, in accordance with the actuarial assumptions.

Section 415 Limits:

Benefits were limited in accordance with section 415(b), which equals \$195,000 per annum on a straight life basis.

**Events and Trends Not
Included:**

We are not aware of any event or trend which has occurred that would have a material impact on this valuation.

Other Considerations:

The Plan is assumed not to be top-heavy. No testing under Section 416 of the Code was performed; however, it is unlikely for the Plan to be top-heavy due to the large number of rank-and-file employees.

The financial data submitted by the plan sponsor is being used without further audit. The census data submitted appears to be consistent with the data used for the prior valuation.

Changes since the prior valuation

The asset method was changed to use a smoothing period of 24 months with 12 months between determination dates. The previous method used a smoothing period of 6 months with 6 months between determination dates. In accordance with Section 430(g)(3)(B), assets are limited to 110% of the fair market value.

There have been no other changes to the actuarial methods.

Attachment to 2009 Form 5500
Plan: Schwab Industries, Inc. Employees' Pension Plan
EIN: 34-0782467 PN: 003
Schedule SB, Part V – Summary of Plan Provisions

Original Effective Date: May 1, 1980.

Latest Amendment: Effective December 31, 2002.

Plan Year: May 1 through April 30.

Participation: Each employee who is not a Plan Participant will be eligible to participate in the Plan on January 1 or July 1 after completion of one year of service and attainment of age twenty-one.

Credited Service: One year of Credited Service for each Plan Year in which an employee completes 1,000 hours of service.

Vesting Service: One year of Vesting Service for each Plan Year in which an employee completes 1,000 hours of service.

Retirement Date: Normal—first day of month after the later of attainment of age sixty-five and the fifth anniversary of Plan participation.
Early—attainment of age fifty-five and ten years of Vesting Service.
Disability—on total and permanent disability after ten years of Vesting Service.

Normal Retirement Benefit: Monthly amount equal to \$38.00 per year of Credited Service at retirement.

Early Retirement Benefit: Normal Retirement Benefit reduced 1/180th per month less than age sixty-five to age sixty, and 1/360th per month less than age sixty.

Accrued Benefit: \$38.00 per year of Credited Service.

Disability Benefit: Accrued Normal Retirement Benefit. Payable after twenty-six weeks of disablement. Payments are offset by Worker's Compensation and other disability benefits.

Termination Benefit: Accrued benefit at termination deferred until normal retirement age. Participant must have at least five years of Vesting Service.

Death Benefit: 50% of the termination benefit reduced for joint and survivor coverage payable on the first of the month after the Participant's death.

Attachment to 2009 Form 5500
Plan: Schwab Industries, Inc. Employees' Pension Plan
EIN: 34-0782467 PN: 003
Schedule SB, Part V – Summary of Plan Provisions

- Normal Form of Payment:** The normal form of benefit is a life only benefit. A married Participant will receive an ERISA required 50% Qualified Joint and Survivor Annuity, which is actuarially reduced. Optional forms of payment are available, subject to the written consent of the Participant's spouse.
- Optional Forms of Payment:** 75% joint and survivor
100% joint and survivor
Lump sum less than \$3,500
Optional forms of payment are actuarially reduced and are available, subject to the written consent of the Participant's spouse.
- Actuarial Equivalence:** Annuity form – An interest rate of 7.50% and the UP-1984 mortality table with a one-year set forward for employees and a four-year set back for beneficiaries.

Lump sum form – Segment rates and applicable mortality in accordance with 417(e), utilizing a lookback month of April.
- Minimum Plan Benefit:** Accrued benefit as of December 31, 1988 provided by prior plan.
- Profit Sharing Plan:** Employees participating in the prior Profit Sharing Plan in effect on April 30, 1980 are guaranteed that benefits payable under this Plan shall not be less than the benefits which could be provided by the employer portion of their Profit Sharing Account Balances on April 30, 1980 plus interest of 5.5% annually to date of retirement.

Furthermore, such employees may elect, upon termination, to receive a refund of their prior Profit Sharing Account Balance on April 30, 1980 with 5.5% interest applied annually up to the date of distribution; if such an election is made, any benefits payable from this Plan are actuarially reduced to account for such refund. Account balances attributable to employee contributions were refunded.
- Additional Provision for the Eastern Cement Participants:** An amendment effective December 31, 2001 granted past Credited Service to the twenty acquired employees for the years worked at Eastern Cement Corporation, as long as they remain active employees of Schwab Industries, Inc. through February 9, 2006 (with a special provision for those acquired employees who had attained age sixty at the date of acquisition).

Changes Since the Prior Valuation

The plan was amended to freeze participation and benefit accruals effective 30 April 2010. The plan freeze was not reflected in the 1 May 2009 valuation results.