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

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010

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

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FREEMAN DECORATING CO. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 07/01/1980

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
FREEMAN DECORATING CO.

1600 VICEROY, SUITE 100
DALLAS, TX 75235-2312

2b Employer Identification Number (EIN) 42-0661692

2c Sponsor's telephone number 214-445-1000

2d Business code (see instructions) 541990

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	04/12/2011	CELIA BURKHEIMER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/12/2011	CELIA BURKHEIMER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
FREEMAN DECORATING CO.

1600 VICEROY, SUITE 100
DALLAS, TX 75235-2312

3b Administrator's EIN
42-0661692

3c Administrator's telephone number
214-445-1000

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**	3751
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**	3674
b	Retired or separated participants receiving benefits	**6b**	8
c	Other retired or separated participants entitled to future benefits	**6c**	354
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	4036
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	4036
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	3881
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	258
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:
2I 2P 3H 2Q 2E

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

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010

A Name of plan
FREEMAN DECORATING CO. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FREEMAN DECORATING CO.

D Employer Identification Number (EIN)
42-0661692

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ERNST & YOUNG LLP

03-4656596

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	NONE	28000	Yes [ ] No [X]	Yes [ ] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

GREATBANC

36-3681493

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	90260	Yes [ ] No [X]	Yes [ ] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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

(complete as many entries as needed)

a Name: ERNST & YOUNG LLP		**b** EIN: 03-4656596
c Position: AUDITOR		
d Address: ONE VICTORY PARK, SUITE 2000 2323 VICTORY AVENUE DALLAS, TX 75219		**e** Telephone: 214-969-8247

Explanation: DUE TO COST. ERNST & YOUNG LLP WAS OUTBID IN THE SEARCH FOR AN AFFORDABLE PLAN AUDITOR.

a Name:		**b** EIN:
c Position:		
d Address:		**e** Telephone:

Explanation:

a Name:		**b** EIN:
c Position:		
d Address:		**e** Telephone:

Explanation:

a Name:		**b** EIN;
c Position:		
d Address:		**e** Telephone:

Explanation:

a Name:		**b** EIN;
c Position:		
d Address:		**e** Telephone:

Explanation:

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 07/01/2009 and ending 06/30/2010

A Name of plan
FREEMAN DECORATING CO. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FREEMAN DECORATING CO.

D Employer Identification Number (EIN)
42-0661692

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	500000	2000000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	1329929	359160
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	8269683	1432259
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	49857052	40987843
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	136775376	153872298
	(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	196732040	198651560
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		910135
i	Acquisition indebtedness	1i		9506865
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	10417000
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	196732040	188234560

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	2000000	
	(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)		2000000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2087881	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2087881
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	1406747	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	782977	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2189724
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	17096922	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		17096922
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		647013
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		24021540
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	31983760	
(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)		31983760
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		417000
i Administrative expenses: (1) Professional fees	2i(1)	118260	
(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)		118260
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		32519020
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-8497480
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BDO USA, LLP (2) EIN: 13-5381590

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

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 07/01/2009 and ending 06/30/2010

A Name of plan
FREEMAN DECORATING CO. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
FREEMAN DECORATING CO.

D Employer Identification Number (EIN)
42-0661692

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 23-3060382

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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**

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):

---

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):

Freeman Decorating Co. Employee Stock Ownership Plan

Financial Statements and Supplemental Schedule

As of June 30, 2010 and 2009, and for the Year Ended June 30, 2010 with Independent Auditors' Report

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Freeman Decorating Co. Employee Stock Ownership Plan

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BDO

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Dallas, TX 75201

Independent Auditors' Report

DC Plans Fiduciary Committee
Freeman Decorating Co. Employee Stock Ownership Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Freeman Decorating Co. Employee Stock Ownership Plan as of June 30, 2010, and the related statement of changes in net assets available for benefits for the year ended June 30, 2010 and the supplemental schedule of the assets (held at end of year) as of June 30, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan for the year ended June 30, 2009 were audited by other auditors whose report dated April 15, 2010, disclaimed an opinion.

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 investment information summarized in Note 3, which was certified by GreatBanc Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 June 30, 2010 and 2009, and for the year ended June 30, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

BDO USA, LLP

April 7, 2011
Dallas, Texas

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Financial Statements

Freeman Decorating Co. Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits

	June 30, 2010			
	Allocated	Unallocated	Total	June 30, 2009
Assets				
Investments				
Goldman Sachs Financial Square Prime Obligation Institutional Fund	$ 1,406,785	$ -	$ 1,406,785	$ 380
SEI Daily Income Trust Government Fund	25,474	-	25,474	8,269,303
Vanguard Large-Cap Index Fund Institutional Shares	8,084,727	-	8,084,727	15,242,952
Vanguard Short-Term Treasury Fund	32,903,116	-	32,903,116	34,614,100
Freeman Decorating Co. common stock	143,372,298	10,500,000	153,872,298	136,775,376
	185,792,400	10,500,000	196,292,400	194,902,111
Receivables				
Employer Companies contribution receivable	2,000,000	-	2,000,000	500,000
Other receivables	326,090	-	326,090	1,290,360
Interest and dividends receivable	33,070	-	33,070	39,569
Total Assets	$ 188,151,560	10,500,000	198,651,560	$ 196,732,040
Liabilities				
Loan payment payable	493,135	-	493,135	-
Loan interest payable	417,000	-	417,000	-
Acquisition indebtedness	-	9,506,865	9,506,865	-
Total Liabilities	910,135	9,506,865	10,417,000	-
Net Assets Available for Benefits	$ 187,241,425	$ 993,135	$ 188,234,560	$ 196,732,040

See accompanying independent auditors' report and notes to financial statements.

Freeman Decorating Co. Employee Stock Ownership Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended June 30, 2010		
	Allocated	Unallocated	Total
Investment income:			
Net change in unrealized appreciation in fair value of investments	$ 16,577,268	$ 1,166,667	$ 17,743,935
Interest and dividend income	4,277,605	-	4,277,605
Total investment income	20,854,873	1,166,667	22,021,540
Contributions:			
Employer Companies - cash	2,000,000	-	2,000,000
Allocation of 487.3294 shares of common stock of Freeman Decorating Co., at fair value	666,667	(666,667)	-
Payment on acquisitions indebtedness	(493,135)	493,135	-
Benefits paid to participants	(31,983,760)	-	(31,983,760)
Interest expense	(417,000)	-	(417,000)
Administrative expenses	(118,260)	-	(118,260)
Net increase (decrease)	(9,490,615)	993,135	(8,497,480)
Net assets available for benefits at beginning of year	196,732,040	-	196,732,040
Net assets available for benefits at end of year	$ 187,241,425	$ 993,135	$ 188,234,560

See accompanying independent auditors' report and notes to financial statements.

1. Description of the Plan

The following description of the Freeman Decorating Co. Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

General

The original Plan became effective July 1, 1980, and was last amended and restated effective July 1, 2008, at which time the Plan was divided into two separate documents, the Freemen Decorating Co. Employee Stock Ownership Plan and the Freemen Decorating Co. Employee Stock Ownership Trust, this change had no effect on participant accounts. The employer companies include Freeman Decorating Co. (the Company) and its subsidiaries: TFC Services, Inc.; Freeman Decorating Services, Inc.; Freeman CDC, Inc.; Freeman Electrical, Inc.; Stage Rigging, Inc.; Freeman AV Solutions, Inc.; Alford Media Services; and AVT Event Technologies, Inc.; (collectively, the Employer Companies). The purpose of the Plan is to provide eligible employees with an opportunity to participate in the ownership of the Company. Employees become eligible to participate in the Plan after completing one year of service.

On September 15, 1998, the Company elected S Corporation status effective July 1, 1998. The Company expects to make annual distributions to all stockholders, including the Plan, based on a percentage of taxable income allocated to the stockholders. That percentage is expected to approximate the combined federal and state tax rates for individuals.

The DC Plans Fiduciary Committee (the Committee) is responsible for the general administration of the Plan. GreatBanc Trust Company (GreatBanc) is the trustee and custodian of the Plan. Crowe Horwath, LLP is the recordkeeper for the Plan.

On December 7, 2009, the Plan purchased Company common stock with a note payable to the Company (see Note 3), and holds the common stock in a trust established under the Plan. The borrowing is to be repaid over a period of fifteen years by fully deductible Company contributions to the trust. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Code (the Code).

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated under the Plan. Accordingly, the financials statements of the Plan as of and for the year ended June 30, 2010 present separately the assets and liabilities and changes therein pertaining to the accounts of employees with vested rights in allocated common stock (allocated) and common stock not yet allocated to employees (unallocated).

Vesting

Employees of the Employer Companies become participants in the Plan upon completion of one year of service in which an employee completes not less than 1,000 hours of service and, effective July 1, 2007, vest upon the completion of three years of service. In order to remain active participants, employees must complete a minimum of 1,000 hours of service each Plan year.

Contributions

The Plan provides for annual contributions by the Employer Companies in amounts determined by the Board of Directors. The Plan requires annual contributions sufficient to discharge any current obligations. Contributions may be in cash or shares of the Company's common stock. The Employer Companies' contributions are allocated among participants based on the ratio of each participant's annual compensation to all eligible participants' annual compensation. The Plan allows the Board of Directors to declare a "special" discretionary contribution to be allocated among a targeted group of participants based on the ratio of each targeted participant's annual compensation to all targeted participants' annual compensation. During the 2010 Plan year, no "special" discretionary contribution was declared by the Board of Directors. Other changes in participant equity are allocated among all participants on the basis of each participant's account balance. A participant must complete a minimum of 1,000 hours during the Plan year in order to receive an allocation of contributions and/or forfeitures.

Benefit Payments

When a participant's employment ceases, whether by reason of retirement, disability, death, or otherwise, the participant or his beneficiary is entitled to the vested portion of the participant's account.

Upon termination of employment, shares of Freeman Decorating Co. common stock held by a participant in his or her account are converted to cash. This cash comes from active participant accounts in exchange for the shares being converted, or from the Company pursuant to a repurchase agreement. A participant who terminates employment with 10 years of service, is 62 years of age, and elects not to receive a distribution will enter a five-year deferred conversion period. During the period, an equal portion of the shares of Freemen Decorating Co. common stock will be converted to cash each year. All benefit payments are made in cash.

Forfeitures

Forfeitures under the Plan are to be allocated among the remaining active participants, after payment of any expenses that have been charged to the Plan.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, all participants become fully vested and the assets of the Plan will be distributed.

Voting Rights

In the case of tender offers and certain other corporate actions, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant, unless the Fiduciary Committee for the Plan provides the Trustee with voting instructions. The Trustee is

required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. A participant's right to direct the investment is limited to shares of Company stock that were acquired by or contributed to the Plan after December 31, 1986.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting. Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Administrative Expenses

The Plan provides that expenses incurred in operating the Plan are to be paid by the Plan unless paid by the Employer Companies.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 5 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Recent Accounting Pronouncements

In February 2010, the FASB issued Accounting Standards Update 2010-09, Subsequent Events: Amendments to Certain Recognition and Disclosure Requirements. ASU 2010-09 amends ASC Topic 855, Subsequent Events, to address concerns with SEC guidance and other practice issues. ASU 2010-09 was effective for the Plan year ended June 30, 2010.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amends ASC 820 to require disclosures regarding the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for any transfers in or out of Level 3, and information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances, and settlements on a gross basis. In addition to these new disclosure requirements, the ASU also amends ASC 820 to clarify that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities, as well as disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. Plan management is currently evaluating the impact of ASU 2010-06 on the Plan.

In September 2009, the FASB issued Accounting Standards Update 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 provides amendments to ASC 820. The amendments permit, as a practical expedient, a reporting entity to estimate the fair value of an investment that is within the scope of ASU 2009-12 using the net asset value per share (or its equivalent) of the investment if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of ASC 820. The amendments also require disclosures regarding the attributes of investments within the scope of ASU 2009-12, such as the nature of any restrictions on the investor's ability to redeem its investments at the measurement date, any unfunded capital commitments, and the investment strategies of the investees. The disclosures are required (by major category) for all investments within the scope of ASU 2009-12 regardless of whether the fair value of the investment is measured using the practical expedient. The amended guidance is effective for interim and annual periods ending after December 15, 2009; however, early application is permitted in financial statements for prior periods that have not been issued. Entities that elect to early adopt may defer the additional disclosure requirements of the ASU until the effective date. Plan management has elected to early adopt the amended guidance and, therefore, as a practical expedient, measures that fair value of the Plan's investments within the scope of ASU 2009-12 based on the unadjusted net asset value per share of the investments (or its equivalent) as of the measurement date. However, Plan management elected to defer adoption of the disclosure provisions required in the amended guidance.

3. Acquisition Indebtedness

On December 7, 2009, the Plan entered into a redemption and repurchase agreement with the Company and GreatBanc, whereby the Company redeemed 7,309.9415 shares of common stock for $10 million. The redeemed shares were repurchased by the Plan for $10 million pursuant to a credit agreement between the Plan's trust and the Company. At June 30, 2010, the Plan's trust held 99,982 shares, of which 6,822.6121 are unallocated. As of June 30, 2010, a loan payment payable of $493,135 and loan interest payable of $413,000 are reflected on the balance sheet. These payables settled on December 6, 2010.

The proceeds of the loan were used to purchase Company's common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over fifteen years, in fifteen equal annual principal and interest installments of $910,135. The fair value of the note payables as of June 30, 2010 was approximately $9,506,865, determined by using interest rates currently available for issuance of debt with similar terms, maturity dates, and nonperformance risk. The scheduled amortization of the loan for the next five years and thereafter is as follows: 2011-$910,135; 2012-$910,135; 2013-$910,135; 2014-$910,135; 2015-$910,135; and thereafter-$8,191,216. The loan bears interest rate of 4.17%.

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

4. Investments

All investments are non-participant-directed.

All investment information disclosed in the accompanying financial statements and schedule, including investments held and interest and dividends receivable at June 30, 2010 and 2009, and net appreciation in fair value of investments, and interest and dividend income for the year ended June 30, 2010, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by GreatBanc.

During the year ended June 30, 2010, the Plan's investments including investments purchased, sold, as well as held during the year appreciated in fair value as follows:

	Net Change in Unrealized Appreciation in Fair Value of Investments
Freeman Decorating Co. common stock	$ 17,096,922
Mutual funds	647,013
Total	$ 17,743,935

5. Fair Value Measurements

ASC 820 establishes 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 ASC 820 are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: Inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Following is a description of the valuation methodologies used for assets measured at fair value.

Freeman Decorating Co. common stock: Since there was no ready market for the Company's common stock, the Company engaged an independent appraisal firm to appraise the fair value of its common stock as of June 30, 2010 and 2009, using various approaches including a market approach as well as an income approach. The market approach included analyzing various ratios of companies similar to the Company, then applying those ratios to the Company's earnings, cash flow, revenues, and book value that indicated the price per share, if the Company's stock was publicly traded. The income approach was based on a capitalized estimate of the Company's normalized level of free cash flow assuming a constant growth rate. The estimated fair value also includes a 10% illiquidity discount. The Plan does not intend to liquidate its investments in Freeman Decorating Co. common stock.

Mutual funds and money market funds: Valued at fair value using published market prices, which represent the net asset value of shares held by the Plan at year-end.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of June 30, 2009 and 2010.

Investment Assets at Fair Value as of June 30, 2010

	Level 1	Level 2	Level 3	Totals
Money market funds	$ 1,432,259	$ -	$ -	$ 1,432,259
U.S. Large-Cap Equity fund	8,084,727	-	-	8,084,727
U.S. Treasury fund	32,903,116	-	-	32,903,116
Freeman Decorating Co. common stock	-	-	153,872,298	153,872,298
Total	$ 42,420,102	$ -	$ 153,872,298	$ 196,292,400

Investment Assets at Fair Value as of June 30, 2009

	Level 1	Level 2	Level 3	Totals
Money market funds	$ 8,269,683	$ -	$ -	$ 8,269,683
U.S. Large-Cap Equity fund	15,242,952	-	-	15,242,952
U.S. Treasury fund	34,614,100	-	-	34,614,100
Freeman Decorating Co. common stock	-	-	136,775,376	136,775,376
Total	$ 58,126,735	$ -	$ 136,775,376	$ 194,902,111

Level 3 Gains and Losses

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

		Freeman Decorating Co. Common Stock
Balance, beginning of the year	$	136,775,376
Net change in unrealized appreciation in fair value of investments		17,096,922
Balance, end of year	$	153,872,298

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated September 25, 2009, stating that the Plan, as restated, is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator has indicated that it will continue to operate the Plan in compliance with the Code.

7. Related Party Transactions

The Plan invests in Freeman Decorating Co. common stock. The Company is the Plan's sponsor; therefore, these transactions qualify as party-in-interest transactions for which there is an exemption.

8. Subsequent Events

The Plan's sponsor evaluated events and transactions that occurred after the balance sheet date as potential subsequent events. Plan management performed this evaluation through April 7, 2011, the date on which the financial statements were available for issuance.

Supplemental Schedule

Freeman Decorating Co. Employee Stock Ownership Plan

Schedule H; Line 4i - Schedule of Assets (Held at End of Year)
EIN: 42-0661692 Plan #:003

June 30, 2010

(a)	(b) Identity of Issue, Borrower, Lessor, Or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturing Value	(d) Cost	(e) Current Value
*	Freeman Decorating Co.	Common stock; allocated - 93,160 shares;	$ 19,625,413	$ 143,372,298
		unallocated - 6,822	10,000,000	10,500,000
	Goldman Sachs Financial Square Prime Obligation Institutional Fund	Money market fund	1,406,785	1,406,785
	SEI Daily Income Trust Government Fund	Money market fund	25,474	25,474
	Vanguard Large-Cap Index Fund Institutional Shares	Mutual fund	7,346,963	8,084,727
	Vanguard Short-Term Treasury Fund	Mutual fund	32,821,778	32,903,116
	Total Investments		$ 71,226,412	$ 196,292,400

*Party-in-interest

Note: Fair market value of Freeman Decorating Co. common stock at June 30, 2010, was determined by an independent appraiser to be $1,539 per share.

Freeman Decorating Co. Employee Stock Ownership Plan

Schedule H; Line 4i - Schedule of Assets (Held at End of Year)
EIN: 42-0661692 Plan #:003

June 30, 2010

(a)	(b) Identity of Issue, Borrower, Lessor, Or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturing Value	(d) Cost	(e) Current Value
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		unallocated - 6,822	10,000,000	10,500,000
	Goldman Sachs Financial Square Prime Obligation Institutional Fund	Money market fund	1,406,785	1,406,785
	SEI Daily Income Trust Government Fund	Money market fund	25,474	25,474
	Vanguard Large-Cap Index Fund Institutional Shares	Mutual fund	7,346,963	8,084,727
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	Total Investments		$ 71,226,412	$ 196,292,400

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