

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>XALOY, INC. 401(K) RETIREMENT 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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1982</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1982</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1982</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>XALOY INCORPORATED</u> <u>102 XALOY WAY</u> <u>PULASKI, VA 24301-6113</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-2149269</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>703-980-7560</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>333200</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-2149269</u>	2c Sponsor's telephone number <u>703-980-7560</u>	2d Business code (see instructions) <u>333200</u>	
2b Employer Identification Number (EIN) <u>95-2149269</u>					
2c Sponsor's telephone number <u>703-980-7560</u>					
2d Business code (see instructions) <u>333200</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.	06/15/2011	COLLEEN CHAMBERLAIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	06/15/2011	COLLEEN CHAMBERLAIN
	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 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") XALOY INCORPORATED 102 XALOY WAY PULASKI, VA 24301-6113	3b Administrator's EIN 95-2149269 3c Administrator's telephone number 703-980-7560
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	458
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	391
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	70
d Subtotal. Add lines 6a , 6b , and 6c	6d	461
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	461
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	354
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	9

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3H

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) ☒ ¹ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2010 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan XALOY, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500. XALOY INCORPORATED	D Employer Identification Number (EIN) 95-2149269	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	363159	461	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
13027	11810

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

MORGAN STANLEY INS SERVICES INC
ATTN JENNIFER KANG
2000 WESTCHESTER AVE
PURCHASE, NY 00001-0577

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
13027	8702	REFERRAL/SERVICE FEE AND PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

MORGAN STANLEY INS SERVICES INC
HARBORSIDE FINANCIAL CTR
PLAZA 2 7TH FLOOR
JERSEY CITY, NJ 07311

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	3108	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	1035106
5 Current value of plan's interest under this contract in separate accounts at year end	5	14176417

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b Balance at the end of the previous year	7b	1518125
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c Additions: (1) Contributions deposited during the year	7c(1)	67476	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	14255	
(4) Transferred from separate account	7c(4)	3657	
(5) Other (specify below)..... ▶ LOAN PAYMENT, ROLLOVER	7c(5)	2304	

(6) Total additions	7c(6)	87692
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d Total of balance and additions (add b and c(6)).	7d	1605817
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	351782	
(2) Administration charge made by carrier	7e(2)	2829	
(3) Transferred to separate account	7e(3)	197596	
(4) Other (specify below)..... ▶ LOAN WITHDRAWAL	7e(4)	16165	

(5) Total deductions	7e(5)	568372
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f Balance at the end of the current year (subtract e(5) from d)	7f	1037445
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan XALOY, INC. 401(K) RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 XALOY INCORPORATED		D Employer Identification Number (EIN) 95-2149269

Part I	Service Provider Information (see instructions)
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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
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosure 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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	18201	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

(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
(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
(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
(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
(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
(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

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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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:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>XALOY, INC. 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>XALOY INCORPORATED</u>	D Employer Identification Number (EIN) <u>95-2149269</u>

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: <u>PRIN SMCAP BLEND SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-029</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP BLEND SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>503716</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MONEY MARKET SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-024</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4921355</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL SMALLCAP SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-014</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>542467</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP VALUE SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-031</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>164528</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN U.S. PROPERTY SEP ACCT-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-027</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>293149</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R6</u>		
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>986951</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-016	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1358418

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-043	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 113896

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-028	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 81621

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN FIN GRP, INC. STOCK SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-086	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 232276

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINT GRWTH STR SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-081	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 892866

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS BAL STR SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-082	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1528057

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS CON STR SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-083	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 376629

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LFPT EQ GROWTH STR SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-084	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 713011

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS MOD STR SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-085	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 571662

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN REAL ESTATE SECS SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-095	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 83956

a Name of MTIA, CCT, PSA, or 103-12 IE: **PRIN CORE PLUS BOND I SA-R6****b** Name of sponsor of entity listed in (a): **PRINCIPAL LIFE INSURANCE COMPANY**

c EIN-PN 42-0127290-115	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 811860
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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**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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

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

A Name of plan XALOY, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 XALOY INCORPORATED	D Employer Identification Number (EIN) 95-2149269	

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)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	162229	371885
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	13530406	14176417
(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)	1818233	5312069
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	1515359	1035106
(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	17026227	20895477

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17026227	20895477
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	203016	
(B) Participants	2a(1)(B)	953549	
(C) Others (including rollovers)	2a(1)(C)	260897	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1417462
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	11364	
(F) Other	2b(1)(F)	14255	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		25619
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	26971	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		26971
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		1135874
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		776621
c Other income.....	2c		427
d Total income. Add all income amounts in column (b) and enter total.....	2d		3382974

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3173510	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3173510
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		2449
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	18202	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		18202
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3194161

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		188813
l Transfers of assets:			
(1) To this plan.....	2l(1)		3680437
(2) From this plan	2l(2)		0

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: BROWN EDWARDS & COMPANY LLP

(2) EIN: 54-0504608

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	0
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	0
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	0
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	0
e Was this plan covered by a fidelity bond?.....	X		1000000
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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>XALOY, INC. 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>XALOY INCORPORATED</u>	D Employer Identification Number (EIN) <u>95-2149269</u>

Part I	Distributions
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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	<u>0</u>
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>42-0127290</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	

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)
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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
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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
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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.
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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) 2010
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):



**XALOY, INCORPORATED
401(k) CONTRIBUTION
RETIREMENT PLAN**

FINANCIAL REPORT

DECEMBER 31, 2010

**BROWN,
EDWARDS &
COMPANY, L.L.P.**
Certified Public Accountants

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

FINANCIAL REPORT

December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Xaloy, Incorporated
401(k) Contribution Retirement Plan
Pulaski, Virginia

We were engaged to audit the financial statements of Xaloy, Incorporated 401(k) Contribution Retirement Plan as of December 31, 2010 and 2009 and for the year ended December 31, 2010, and the supplemental schedule for the year ended December 31, 2010. These financial statements and supplemental schedule 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 9 which was certified by the Principal Life Insurance Company, and Principal Trust Company, the Custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodians hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the Custodians as of December 31, 2010 and 2009, and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the Custodians 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 information certified by the Custodians, 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
May 31, 2011

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Investments at fair value (Notes 3, 4, 5, and 9)		
Pooled separate accounts	\$ 14,176,417	\$ 13,530,406
Mutual funds	5,312,069	1,818,233
Guaranteed interest accounts	<u>1,035,106</u>	<u>1,515,359</u>
	20,523,592	16,863,998
Receivables		
Notes from participants	<u>374,168</u>	<u>162,229</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 20,897,760</u></u>	<u><u>\$ 17,026,227</u></u>

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2010

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income (Notes 3, 4, 5, and 9)	
Net appreciation in fair value of investments	\$ 1,909,724
Interest and dividends	52,424
	<u>1,962,148</u>
Contributions	
Participants	953,549
Employers	203,016
Rollovers	260,897
	<u>1,417,462</u>
Transfers in to the Plan	<u>3,670,884</u>
Total additions	<u>7,050,494</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	3,160,759
Administrative expenses	18,202
	<u>3,178,961</u>
Net increase	3,871,533

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>17,026,227</u>
End of year	<u><u>\$ 20,897,760</u></u>

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1. Plan Description

The following description of the Xaloy, Incorporated 401(k) Contribution Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General:

The Plan is a defined contribution plan covering all eligible employees of Xaloy, Incorporated (the “Company”) and its various divisions who are age 21 or older. Eligibility requirements vary among divisions. Certain Company divisions are covered by collective bargaining agreements and eligible employees covered under these agreements participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In September 2009, Spirex Corporation was acquired by the Plan Sponsor. Effective March 1, 2010, the assets of the Spirex Corporation 401(k) Pension Plan were merged into the Xaloy, Incorporated 401(k) Contribution Retirement Plan. See Note 10 for a further discussion of that merger.

Contributions:

Each year, participants may contribute amounts up to a maximum of 100% of their compensation, as defined in the Plan according to each division, not to exceed the dollar limit set by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company may make a discretionary matching contribution to non-union employees. In 2010, the Company matched 35% of non-union employee deferrals up to 6% of compensation. The Company match for union employees depends on the collective bargaining unit agreement for each division. The Company may also make additional discretionary contributions to the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant accounts:

Each participant’s account is credited with the participant’s deferral and rollover contributions, the Company’s matching contributions, and an allocation of earnings and expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 1. Plan Description (Continued)

Vesting:

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service at the Keystone division. Feed Screws and Tanner divisions are immediately 100% vested in their total account. Other divisions vest on a graded schedule and are 100% vested after three years of credited service.

Notes from participants:

Participants may borrow from their account a minimum of \$1,000 up to a maximum of 50% or \$50,000 of their vested account balance, as defined by the Plan, whichever is less. Notes are secured by the balance in the participant's account and bear interest at rates that range from 3.25% to 8.25%.

Payments of benefits:

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump-sum distribution or annuity payments equal to the value of the participant's vested interest in his or her account.

Administrative costs:

Administrative expenses incurred by the Plan may be paid by either the Company or the Plan on a discretionary basis. Substantially all such expenses were paid by the Plan in 2010.

Note 2. Significant Accounting Policies

Basis of accounting:

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 2. Significant Accounting Policies (Continued)

Investment valuation and income recognition:

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 3 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 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 statement of net assets available for benefits.

Notes from participants:

Notes from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. In accordance with authoritative guidance, participant loans are now reported as notes receivable rather than investments. Accordingly, amounts presented for prior year have been reclassified to conform to the current year presentation.

Benefit payments:

Benefit payments are recorded when paid.

Forfeitures:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$329 and \$14,794, respectively. These accounts can be used to reduce administrative expenses or employer contributions. During 2010, \$28,962 of forfeited non-vested accounts were used to reduce employer contributions and administrative expenses. This includes \$14,006 in forfeited non-vested accounts that were transferred to the Plan in the merger with Spirex Corporation 401(k) Plan. (See Note 10.)

Subsequent events:

Evaluation of subsequent events was considered through the date of the independent auditor's report, the date the financial statements were available to be issued.

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 3. Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount 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 those of other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Fair Value Measurements at Reporting Date Using:				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2010</u>				
Pooled separate accounts				
Balanced/Asset allocation	\$ 4,082,225	\$ -	\$ 4,082,225	\$ -
Fixed income	1,105,009	-	811,860	293,149
International equity	1,529,418	-	1,529,418	-
Large U.S. equity	1,358,418	-	1,358,418	-
Other	232,276	-	232,276	-
Short-term fixed income	4,921,355	-	4,921,355	-
Small/Mid U.S. equity	947,717	-	947,717	-
Mutual funds				
Fixed income	350,895	350,895	-	-
Large U.S. equity	1,963,610	1,963,610	-	-
Small/Mid U.S. equity	2,997,563	2,997,563	-	-
Guaranteed interest accounts	1,035,106	-	-	1,035,106
Total	<u>\$ 20,523,592</u>	<u>\$ 5,312,068</u>	<u>\$ 13,883,269</u>	<u>\$ 1,328,255</u>

(Continued)

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 3. Fair Value Measurements (Continued)

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Fair Value		
<u>December 31, 2009</u>				
Pooled separate accounts				
Balanced/Asset allocation	\$ 3,573,870	\$ -	\$ 3,573,870	\$ -
Fixed income	1,018,855	-	495,888	522,967
International equity	1,384,693	-	1,384,693	-
Large U.S. equity	1,329,751	-	1,329,751	-
Other	207,604	-	207,604	-
Short-term fixed income	4,200,508	-	4,200,508	-
Small/Mid U.S. equity	1,815,125	-	1,815,125	-
Mutual funds				
Fixed income	191,885	191,885	-	-
Large U.S. equity	628,906	628,906	-	-
Small/Mid U.S. equity	997,442	997,442	-	-
Guaranteed interest accounts				
	1,515,359	-	-	1,515,359
Total	<u>\$ 16,863,998</u>	<u>\$ 1,818,233</u>	<u>\$ 13,007,439</u>	<u>\$ 2,038,326</u>

Level 1 Fair Value Measurements

The fair values of mutual funds are based on quoted net asset values of the shares held by the Plan at year end.

Level 2 Fair Value Measurements

The fair values of pooled separate accounts, other than those included in Level 3, are based on inputs that are observable for valuing the asset or liability, either directly or indirectly (i.e. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs include quoted price for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

These pooled separate accounts invest in securities that have observable Level 1 or 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. While underlying assets values are quoted prices, the net asset value (NAV) of a unit in a pooled separate account is not publicly quoted. Units can be issued and redeemed on any business day at the NAV. All earnings and losses are reflected in the computation of the NAV and are realized by the participant upon withdrawal. No distributions of income and gain or loss are made to participants.

(Continued)

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 3. Fair Value Measurements (Continued)

Level 3 Fair Value Measurements

Some pooled separate accounts and guaranteed interest accounts are not actively traded and significant other observable inputs are not available. Fair values are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques and are not based on market, exchange, dealer, or broker-transactions. The fair value of guaranteed interest accounts is based on discounted cash flows to expected maturity, representing contract value adjusted to reflect current market interest rates.

The Plan invests in a pooled separate account that invests primarily in commercial real estate and includes mortgage loans. These underlying real estate investments have unobservable Level 3 pricing inputs. The NAV per unit is estimated using discounted cash flow valuation models that utilize public real estate market data inputs. This separate account has a temporary withdrawal limitation related to turmoil in the credit markets which, while allowing normal distributions for termination, death, or disability, restricts the transfer of funds from this account to another investment option. This restriction was in place from September 2008 through early 2011.

The following table provides further details of the Level 3 fair value measurements.

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Pooled Separate Accounts	Guaranteed Investment Accounts	Total
<u>December 31, 2010</u>			
Beginning balance	\$ 522,967	\$ 1,515,359	\$ 2,038,326
Total gains or losses (realized and unrealized included in changes in net assets available for benefits)	55,280	428	55,708
Interest credited	-	14,255	14,255
Purchases and sales, net	17,922	480,784	498,706
Issuances and settlements	(303,020)	(975,720)	(1,278,740)
Ending balance	<u>\$ 293,149</u>	<u>\$ 1,035,106</u>	<u>\$ 1,328,255</u>
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ 204,172</u>	<u>\$ 427</u>	<u>\$ 204,599</u>

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 3. Fair Value Measurements (Continued)

	Pooled Separate Accounts	Guaranteed Investment Accounts	Total
<u>December 31, 2009</u>			
Beginning balance	\$ 813,456	\$ 1,239,517	\$ 2,052,973
Total gains or losses (realized and unrealized included in changes in net assets available for benefits)	(260,744)	(2,766)	(263,510)
Interest credited	-	38,906	38,906
Purchases, sales, issuances, and settlements (net)	(29,745)	239,702	209,957
Ending balance	<u>\$ 522,967</u>	<u>\$ 1,515,359</u>	<u>\$ 2,038,326</u>
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ (232,702)</u>	<u>\$ (2,766)</u>	<u>\$ (235,468)</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2010 are reported in net appreciation in fair value of investments.

Note 4. Investments

The following investments at December 31, 2010 and 2009 represent 5% or more of the Plan's net assets:

	<u>2010</u>
Principal Large Cap S&P 500 Index Separate Account	\$ 1,358,418
Russell Life Balance Strategy Separate Account	\$ 1,528,058
Principal Money Market Separate Account	\$ 4,921,355
American Funds Growth Fund of America	\$ 1,512,282
Columbia Select Smaller Cap Value R Fund	\$ 1,550,308
	<u>2009</u>
Principal Small Cap Blend Separate Account	\$ 1,408,890
Principal Large Cap S&P 500 Index Separate Account	\$ 1,329,751
Principal Diversified International Separate Account	\$ 973,633
Russell Life Balance Strategy Separate Account	\$ 1,639,947
Principal Money Market Separate Account	\$ 4,200,508
Principal Guaranteed Interest Accounts	\$ 1,515,359

(Continued)

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 4. Investments (Continued)

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Fair value determined by quoted prices in an active market:	
Mutual funds	\$ 751,215
Fair value otherwise determined:	
Pooled separate accounts	1,135,872
Guaranteed interest accounts	<u>22,637</u>
	<u>\$ 1,909,724</u>

Note 5. Investment Contract with Insurance Company

Participants may choose to invest in the Principal Provider Guaranteed Interest Account, which pays a fixed rate of interest over a two-year or three-year period. The fixed interest rates are determined on the day the funds are deposited, based on market interest rates on that day. The Principal Life Insurance Company ("Principal") maintains the assets in its general account. A market value determination adjustment applies to any amounts invested in the account if termination occurs prior to the two-year or three-year maturity date. The investment contract is not benefit responsive. The two-year rate at December 31, 2010 and 2009 was 0.77% and 0.94%, respectively and the average composite rate earned on the fund for 2010 was 0.46%. The three-year rate at December 31, 2010 and 2009, was .77% and ranged from 0.94% to 1.64%, respectively, and the average composite rate earned on the fund for 2010 was 3.88%. Surrender charges may apply if the account is transferred or withdrawn prior to the end of the guarantee period in accordance with the contract.

Separate accounts are maintained on a "unit" basis. The unit value is adjusted daily to reflect investment results under the separate accounts. The Plan's account provides a cumulative record of the number of units credited to each of the separate accounts and the number of units withdrawn from each of the separate accounts. The value of each account on any date is determined by multiplying the number of units held by the unit value at the close of business on that particular date.

Note 6. Related-Party Transactions

Certain administrative functions are performed by officers or employees of the Company. These employees are also Plan participants. No such officer or employee receives compensation from the Plan.

Plan participants invest in funds held or managed by the Plan Custodians, as well as other investment management companies. Investments in funds issued and managed by the Custodians are considered related-party transactions. Fees paid to the Custodians by the Plan for investment management and administrative services were \$18,202 for the year ended December 31, 2010.

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 7. Plan Termination

Although they have not expressed any intent to do so, the Company has the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will be 100% vested in their accounts.

Note 8. Tax Status

The Plan was adopted under a prototype plan sponsored by the Custodians. The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated May 24, 2010, that the plan is designed in accordance with applicable sections of the *Internal Revenue Code (IRC)*. The Plan Administrator believes that the Plan is being operated in compliance with the applicable requirements of the *IRC*. The federal annual returns of the Plan are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Note 9. Custodians' Certification

Certain information was certified as complete and accurate by the Plan's Custodians. That information is as follows:

- Investment assets
- Investment transactions
- Investment income
- Schedule of Assets (Held at End of Year)

Note 10. Merger of Plans

Effective March 1, 2010, the Spirex Corporation 401(k) Pension Plan (Spirex Plan) was merged into the Xaloy, Incorporated 401(k) Contribution Retirement Plan. Prior to the merger, the Spirex Plan covered eligible employees of Spirex Corporation, which was acquired by Xaloy, Incorporated in September 2009. The transferred net assets have been recognized in the accounts of the Xaloy, Incorporated 401(k) Contribution Retirement Plan as of March 1, 2010, at their balances as previously carried in the accounts of the Spirex Plan. The accompanying statement of changes in net assets available for benefits presents changes in the original Xaloy Plan for the entire year, and changes in the merged Spirex Plan from March 1, 2010 through the end of the year. A summary of the transferred net assets follows:

Investments, at fair value:	
Participant accounts	\$ 3,517,760
Forfeited, non-vested funds	<u>14,006</u>
Total investments	3,531,766
Notes from participants	<u>139,118</u>
Total funds transferred	<u>\$ 3,670,884</u>

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements to the Form 5500:

	<u>2010</u>
Net assets available for Plan benefits per the financial statements	\$ 20,897,760
Deemed distribution of participant loan	<u>(2,283)</u>
Net assets available for Plan benefits per the Form 5500	<u><u>\$ 20,895,477</u></u>

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to Schedule H of Form 5500.

	<u>2010</u>
Net increase in net assets available for benefits per financial statements	\$ 3,871,533
Deemed distribution of participant loan	<u>(2,283)</u>
Net income per Schedule H of Form 5500	<u><u>\$ 3,869,250</u></u>

SUPPLEMENTAL INFORMATION

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN
(EIN: 95-2149269) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value or Contract Value
*	Principal Life Insurance Company	Mid Cap Blend Separate Account	\$ **	\$ 503,716
*	Principal Life Insurance Company	Money Market Separate Account	\$ **	\$ 4,921,355
*	Principal Life Insurance Company	U. S. Property Separate Account	\$ **	\$ 293,148
*	Principal Life Insurance Company	PIMCO Core Plus Bond I Separate Account	\$ **	\$ 811,860
*	Principal Life Insurance Company	Goldman Sachs Mid-Cap Value I Separate Account	\$ **	\$ 113,896
*	Principal Life Insurance Company	International Small Cap Separate Account	\$ **	\$ 542,467
*	Principal Life Insurance Company	Diversified International Separate Account	\$ **	\$ 986,951
*	Principal Life Insurance Company	Small-Cap S&P 600 Index Separate Account	\$ **	\$ 81,621
*	Principal Life Insurance Company	Russell Life Growth Strategy Separate Account	\$ **	\$ 892,866
*	Principal Life Insurance Company	Large Cap S&P 500 Index Separate Account	\$ **	\$ 1,358,418
*	Principal Life Insurance Company	Real Estate Securities Separate Account	\$ **	\$ 83,956
*	Principal Life Insurance Company	Russell Life Balance Strategy Separate Account	\$ **	\$ 1,528,058
*	Principal Life Insurance Company	Russell Life Conservative Strategy Separate Account	\$ **	\$ 376,629

(Continued)

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN
(EIN: 95-2149269) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value or Contract Value
*	Principal Life Insurance Company	Russell Life Equity Growth Strategy Separate Account	\$ **	\$ 713,011
*	Principal Life Insurance Company	Russell Life Moderate Strategy Separate Account	\$ **	\$ 571,662
*	Principal Life Insurance Company	Small Cap Value Separate Account	\$ **	\$ 164,528
	Fidelity Management & Research	Advance Small Cap T Fund	\$ **	\$ 542,281
	Fidelity Management & Research	Advisor Government Income T Fund	\$ **	\$ 350,895
	Prudential Investments, LLC	Jennison Mid-Cap Growth R Fund	\$ **	\$ 465,277
	American Century Investments	Mid-Cap Value R Fund	\$ **	\$ 439,697
	American Funds Service Company	American Funds Growth Fund of America R3 Fund	\$ **	\$ 1,512,282
	Aston Asset Management	Aston Value N Fund	\$ **	\$ 451,328
	Columbia Management Advisors	Columbia Select Smaller Cap Value R Fund	\$ **	\$ 1,550,308
*	Principal Life Insurance Company	Principal Financial Group Inc. Stock Separate Account	\$ **	\$ 232,276
*	Principal Life Insurance Company	Guaranteed Interest Accounts	\$ **	\$ 1,035,106

* Party-in-interest

** Cost omitted for participant directed investments

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN
(EIN: 95-2149269) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value or Contract Value
*	Principal Life Insurance Company	Mid Cap Blend Separate Account	\$ **	\$ 503,716
*	Principal Life Insurance Company	Money Market Separate Account	\$ **	\$ 4,921,355
*	Principal Life Insurance Company	U. S. Property Separate Account	\$ **	\$ 293,148
*	Principal Life Insurance Company	PIMCO Core Plus Bond I Separate Account	\$ **	\$ 811,860
*	Principal Life Insurance Company	Goldman Sachs Mid-Cap Value I Separate Account	\$ **	\$ 113,896
*	Principal Life Insurance Company	International Small Cap Separate Account	\$ **	\$ 542,467
*	Principal Life Insurance Company	Diversified International Separate Account	\$ **	\$ 986,951
*	Principal Life Insurance Company	Small-Cap S&P 600 Index Separate Account	\$ **	\$ 81,621
*	Principal Life Insurance Company	Russell Life Growth Strategy Separate Account	\$ **	\$ 892,866
*	Principal Life Insurance Company	Large Cap S&P 500 Index Separate Account	\$ **	\$ 1,358,418
*	Principal Life Insurance Company	Real Estate Securities Separate Account	\$ **	\$ 83,956
*	Principal Life Insurance Company	Russell Life Balance Strategy Separate Account	\$ **	\$ 1,528,058
*	Principal Life Insurance Company	Russell Life Conservative Strategy Separate Account	\$ **	\$ 376,629

(Continued)

XALOY, INCORPORATED
401(k) CONTRIBUTION RETIREMENT PLAN
(EIN: 95-2149269) (Plan: 001)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Par, or Maturity Value	(d) Cost	(e) Current Value or Contract Value
*	Principal Life Insurance Company	Russell Life Equity Growth Strategy Separate Account	\$ **	\$ 713,011
*	Principal Life Insurance Company	Russell Life Moderate Strategy Separate Account	\$ **	\$ 571,662
*	Principal Life Insurance Company	Small Cap Value Separate Account	\$ **	\$ 164,528
	Fidelity Management & Research	Advance Small Cap T Fund	\$ **	\$ 542,281
	Fidelity Management & Research	Advisor Government Income T Fund	\$ **	\$ 350,895
	Prudential Investments, LLC	Jennison Mid-Cap Growth R Fund	\$ **	\$ 465,277
	American Century Investments	Mid-Cap Value R Fund	\$ **	\$ 439,697
	American Funds Service Company	American Funds Growth Fund of America R3 Fund	\$ **	\$ 1,512,282
	Aston Asset Management	Aston Value N Fund	\$ **	\$ 451,328
	Columbia Management Advisors	Columbia Select Smaller Cap Value R Fund	\$ **	\$ 1,550,308
*	Principal Life Insurance Company	Principal Financial Group Inc. Stock Separate Account	\$ **	\$ 232,276
*	Principal Life Insurance Company	Guaranteed Interest Accounts	\$ **	\$ 1,035,106

* Party-in-interest

** Cost omitted for participant directed investments