

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>11/01/2009</u> and ending <u>10/31/2010</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>WEBSTER, ALABAMA HOURLY EMPLOYEES' PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>005</u>	
	1c Effective date of plan	<u>11/01/1988</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>CHELSEA INDUSTRIES, INC.</u> <u>58 PULASKI STREET</u> <u>PEABODY, MA 01960</u>	2b Employer Identification Number (EIN) <u>04-2322590</u>	2c Sponsor's telephone number <u>978-532-2000</u>	2d Business code (see instructions) <u>339900</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	<u>Filed with authorized/valid electronic signature.</u>	<u>08/02/2011</u>	<u>EMIL S. BERNSTEIN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>08/02/2011</u>	<u>EMIL S. BERNSTEIN</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CHELSEA INDUSTRIES, INC. 58 PULASKI STREET PEABODY, MA 01960	3b Administrator's EIN 04-2322590 3c Administrator's telephone number 978-532-2000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	457
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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	414
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	34
d Subtotal. Add lines 6a , 6b , and 6c	6d	449
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	449
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	66

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

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

a Pension Schedules

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

b General Schedules

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

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 11/01/2009 and ending 10/31/2010	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan WEBSTER, ALABAMA HOURLY EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) 005
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CHELSEA INDUSTRIES, INC.	D Employer Identification Number (EIN) 04-2322590
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information	
1	Enter the valuation date: Month 11 Day 01 Year 2009	
2	Assets:	
a	Market value	2a 1078397
b	Actuarial value	2b 1131634
3	Funding target/participant count breakdown	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a 1 9476
b	For terminated vested participants	3b 17 55629
c	For active participants:	
(1)	Non-vested benefits	3c(1) 63891
(2)	Vested benefits	3c(2) 1283468
(3)	Total active	3c(3) 394 1347359
d	Total	3d 412 1412464
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐	
a	Funding target disregarding prescribed at-risk assumptions	4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5	Effective interest rate	5 6.35 %
6	Target normal cost	6 131629

Statement by Enrolled Actuary

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

SIGN HERE	07/15/2011
Signature of actuary	Date
PAUL J. BRENNAN	11-01485
Type or print name of actuary	Most recent enrollment number
BOSTON BENEFITS CONSULTING, INC.	978-318-9900
Firm name	Telephone number (including area code)
100 MAIN STREET CONCORD, MA 01742-2528	
Address of the firm	

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

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

Part III Funding percentages		
14 Funding target attainment percentage.....	14	80.11 %
15 Adjusted funding target attainment percentage.....	15	80.40 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.09 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/15/2011	220674				
Totals ►			18(b)	220674	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	183787
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 5.35 %	2nd segment: 6.61 %	3rd segment: 6.67 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	131629
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	275806	52158
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	183787
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35).....	36	183787
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	183787
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ 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 11/01/2009 and ending 10/31/2010		
A Name of plan WEBSTER, ALABAMA HOURLY EMPLOYEES' PENSION PLAN		B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 CHELSEA INDUSTRIES, INC.		D Employer Identification Number (EIN) 04-2322590

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

(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)

RUCCI, BARDARO & BARRETT, PC

04-3141926

(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?
10	NONE	12250	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CUBIC

65-1312579

(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?
20	NONE	5172	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)

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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2009 This Form is Open to Public Inspection
For calendar plan year 2009 or fiscal plan year beginning <u>11/01/2009</u> and ending <u>10/31/2010</u>		
A Name of plan <u>WEBSTER, ALABAMA HOURLY EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHELSEA INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>04-2322590</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	196717	220674
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	15351	5151
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	23777	
	(2) U.S. Government securities.....	1c(2)	132544	149473
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	292504	252115
	(B) All other.....	1c(3)(B)	27811	29943
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)	426447	509901
	(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)		48102
	(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)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1115151	1215359

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	36754	51326
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	36754	51326

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1078397	1164033
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	220674	
(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)		220674

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	-94	
(B) U.S. Government securities	2b(1)(B)	4198	
(C) Corporate debt instruments	2b(1)(C)	15457	
(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)		19561

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	8933	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8933

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	258684	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	211824	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		46860

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	92611	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		92611
(6) Net investment gain (loss) from common/collective trusts	2b(6)		70
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		388709

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	263816	
(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)		263816
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	14500	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	9651	
(4) Other	2i(4)	15106	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		39257
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		303073

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		85636
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: RUCCI, BARDARO & BARRETT, PC

(2) EIN: 04-3141926

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

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

For calendar plan year 2009 or fiscal plan year beginning 11/01/2009 and ending 10/31/2010

A Name of plan <u>WEBSTER, ALABAMA HOURLY EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHELSEA INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>04-2322590</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>17</u>

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

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

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

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

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**WEBSTER, ALABAMA HOURLY EMPLOYEES'
PENSION PLAN**

**FINANCIAL STATEMENTS,
SUPPLEMENTAL SCHEDULES**

and

INDEPENDENT AUDITORS' REPORT

October 31, 2010 and 2009



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RUCCI, BARDARO & BARRETT PC
Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Webster, Alabama Hourly Employees' Pension Plan
Peabody, Massachusetts

We were engaged to audit the accompanying statements of net assets available for benefits of **Webster, Alabama Hourly Employees' Pension Plan** as of October 31, 2010, and October 31, 2009, and the related statement of changes in net assets available for benefits for the year ended October 31, 2010, and the supplemental schedules of Schedule H, line 4i -- Schedule of Assets (Held at End of Year) and Schedule H, line 4j -- Schedule of Reportable Transactions as of and for the year ended October 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Mellon Trust of New England, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of October 31, 2010 and 2009, and for the year ended October 31, 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 schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rucci, Bardaro & Barrett, PC

Rucci, Bardaro & Barrett, PC
Certified Public Accountants

July 28, 2011



Webster, Alabama Hourly Employees' Pension Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

October 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Investments, at fair value:		
Common stock	\$ 509,901	\$ 426,447
Corporate debt instruments	29,943	27,811
Corporate debt instruments - preferred	252,115	292,505
Common collective trust	48,102	23,777
U.S. Government securities	<u>149,473</u>	<u>132,544</u>
Total investments	<u>989,534</u>	<u>903,084</u>
Receivables:		
Employer contribution receivable	220,674	196,717
Interest and dividend receivable	<u>5,151</u>	<u>15,351</u>
Total receivables	<u>225,825</u>	<u>212,068</u>
Total assets	<u>1,215,359</u>	<u>1,115,152</u>
LIABILITIES		
Accrued expenses	<u>51,326</u>	<u>36,754</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,164,033</u>	<u>\$ 1,078,398</u>



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

Webster, Alabama Hourly Employees' Pension Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended October 31, 2010

ADDITIONS

Investment and other income:

Dividends and interest	\$ 28,564
Net appreciation in fair value of common stock	107,397
Net appreciation in fair value of corporate debt instruments	17,002
Net appreciation in fair value of U.S. Government securities	<u>15,072</u>

Total investment income 168,035

Employer contributions 220,674

Total additions 388,709

DEDUCTIONS

Benefits paid directly to participants	263,816
Administrative expenses	<u>39,257</u>

Total deductions 303,073

Net increase 85,636

Net assets available for benefits, beginning of year 1,078,397

Net assets available for benefits, end of year \$ 1,164,033



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

Webster, Alabama Hourly Employees' Pension Plan

STATEMENTS OF ACCUMULATED PLAN BENEFITS

October 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Participants currently receiving payments	\$ 4,280	\$ 9,496
Other participants	<u>1,548,950</u>	<u>1,453,409</u>
Total vested benefits	1,553,230	1,462,905
Nonvested benefits	<u>96,771</u>	<u>107,239</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 1,650,001</u></u>	<u><u>\$ 1,570,144</u></u>



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

Webster, Alabama Hourly Employees' Pension Plan

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

For the year ended October 31, 2010

Actuarial present value of accumulated plan benefits, beginning of year	\$ 1,570,144
Increase (decrease) during the year attributable to:	
Interest due to decrease in the discount period	86,294
Additional benefits accumulated	
(including the effect of noninvestment experience)	185,033
Change in assumptions	72,346
Benefits paid to participants	<u>(263,816)</u>
Net increase	<u>79,857</u>
Total actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 1,650,001</u></u>



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

Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS

October 31, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLAN

The following brief description of the **Webster, Alabama Hourly Employees' Pension Plan** (the "Plan") is provided only for general information. Participants should refer to the Plan Document for more complete information.

1. General

The Plan is a noncontributory defined benefit pension plan, which was established on November 1, 1988 by Chelsea Industries, Inc. (the "Employer"). An employee at the Employer's Montgomery, Alabama facility receiving hourly remuneration and who has worked 750 hours during the Plan year or during the 12 months subsequent to the date of hire is eligible to participate in the Plan. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

2. Plan Administrator

The Employer is the Plan administrator and has the authority to appoint person(s) or entities to carry out the operation of the Plan. Mellon Trust of New England, N.A. serves as the Trustee of the Plan.

3. Funding Policy

The Employer makes annual contributions to the Plan in amounts required to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions, as calculated by an enrolled actuary using the aggregate cost method. The Employer's contributions to the Plan are designed to annually fund current service costs, and to fund prior service costs, over approximately 30 years. The Employer's contribution for the year ended October 31, 2010 and 2009 totaled \$220,674 and \$196,717, respectively.

4. Pension Benefits

Plan participants receive a monthly pension benefit equal to \$4.90 per month for service credited on or before October 31, 1991, \$6.00 per month for service credited between November 1, 1991 and October 31, 2001 and \$9.00 per month for service credited after October 31, 2001, multiplied by the years of service, not to exceed 30 years, reduced by the monthly benefit payable from the prior multiemployer plan for any period during which the Employer made contributions on behalf of the employee.



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLAN - Continued

4. **Pension Benefits - Continued**

The normal form of benefit payment is a life annuity guaranteed for three years; however, optional forms of payment include lump sum, life annuity guaranteed for ten years and joint and survivor annuity as the participant or beneficiary may elect.

The Plan permits early retirement upon attainment of age 55 and completion of at least ten years of vested service. Benefits are determined in the same manner as normal retirement and are reduced by the appropriate early retirement factor, as defined in the Plan Document.

5. **Death Benefits**

If an active employee entitled to a vested benefit dies, a death benefit equal to the vested pension benefit, as adjusted for joint and survivor benefits, will become payable to the employee's spouse any time after the deceased participant's early retirement date.

6. **Vesting**

A participant's vested interest is based on years of continuous service. A participant is 100% vested in his/her benefits after five years of service with the Employer. One year of service for purposes of vesting is reached upon completion of 750 hours of service in a given year.

7. **Plan Termination**

Although, it has not expressed any intention to do so, the Employer has the right to terminate the Plan. Upon termination, participants become 100% vested in the present value of their accrued benefits, which will be distributed in any manner permitted by the Plan. Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. The Pension Benefit Guaranty Corporation ("PBGC") insures benefits under the Plan if the Plan terminates. Generally the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLAN - Continued

7. Plan Termination - Continued

Whether all participants receive their benefits will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

2. Valuation of Investments and Income Recognition

The Plan's investments are stated 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 E for a discussion of fair value measurements. The value of shares of common stock are determined based on quoted market prices. Values of corporate bonds and U.S. Government securities are provided by the custodian of those investments and represent the prices of recent trades experienced by the custodian. The value of units of the common collective trust represents the net asset value of shares held by the Plan at year-end based upon quoted market values of the underlying assets.

The common collective trust units are not traded on securities exchanges but are redeemable only by the issuer. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

4. Use of Estimates

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



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Administrative Expenses

Substantially all costs of administering the Plan are paid directly by the Plan. Administration expenses are paid by the Plan unless the Employer directs otherwise.

NOTE C - INFORMATION CERTIFIED BY THE TRUSTEE AND CUSTODIAN (UNAUDITED)

The Plan's investments are held by Mellon Trust of New England, N.A. ("Mellon"), the Plan's trustee and custodian. Financial information included in the accompanying financial statements and supplemental schedules at October 31, 2010 and 2009, and net appreciation/depreciation in fair values of investments, interest, dividends and other income for the year ended October 31, 2010 were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Mellon.

NOTE D - INVESTMENTS

Investments at October 31, 2010 and 2009, which represent 5% or more of Plan net assets, were as follows:

	<u>2010</u>	<u>2009</u>
US Treasury - CPI Inflation Index 2.000% 01/15/2026 DD 01/15/2006	\$ 94,291	\$ 82,279
JP Morgan Chase & Co Sub NT 6.125% 06/27/2017 DD 06/27/07	56,843	53,830
Wal Mart Stores Inc. NT 5.875% 04/05/2027 DD 04/05/07	56,642	53,300
US Treasury - CPI Inflation Index 1.375% 07/15/2018 DD 07/15/08	55,181	50,264
General Elec Cap Corp Book 5.250% 05/15/2018 DD 05/15/08	-	49,577
Disney Walt Co 5.625% 04/05/2027 DD 09/11/06	-	55,082

NOTE E - FAIR VALUE MEASUREMENTS



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting (SFAS) No. 157, "Fair Value Measurements." SFAS 157 (FASB Accounting Standards Codification (ASC) topic 820) establishes a single authoritative definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820 applies to fair value measurements already required or permitted by existing standards. The application of ASC 820 relates to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. ASC 820 was effective for financial statements issued for fiscal years beginning after November 15, 2007, which was the Plan's 2009 fiscal year. As of November 1, 2008, the Plan sponsor adopted ASC 820.

ASC 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

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

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



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE E - FAIR VALUE MEASUREMENTS - Continued

Level 3

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

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

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

Common stock: Valued at the closing price reported on the respective issuer's stock exchange in which the stock is traded.

Corporate debt instruments: Valued at the closing price reported in the active market in which the debt is traded.

Common collective trusts: Valued at \$1 per unit of participation, representing an undivided interest in the underlying assets of the trust. The number of units held are adjusted by the trustee, based on the current market value of the underlying assets of the fund.

U.S. Government Securities: Valued at the closing price reported in the active market in which the individual security is traded.

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



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE E - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value as of October 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ 509,901	\$ -	\$ -	\$ 509,901
Corporate Debt Instruments	-	282,058	-	282,058
Common Collective Trust	-	-	48,102	48,102
U.S. Government Securities	<u>149,473</u>	<u>-</u>	<u>-</u>	<u>149,473</u>
Total assets at fair value	<u>\$ 659,374</u>	<u>\$ 282,058</u>	<u>\$ 48,102</u>	<u>\$ 989,534</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended October 31, 2010:

	<u>Common Collective Trust</u>	<u>Total</u>
Balance, beginning of year	\$ 23,777	\$ 23,777
Realized gains/(losses)	-	-
Unrealized gains/(losses) relating to assets still at the reporting date	-	-
Purchases, sales, issuances, settlements (net)	<u>24,325</u>	<u>24,325</u>
Balance, end of year	<u>\$ 48,102</u>	<u>\$ 48,102</u>

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value as of October 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ 426,447	\$ -	\$ -	\$ 426,447
Corporate Debt Instruments	-	320,316	-	320,316
Common Collective Trust	-	-	23,777	23,777
U.S. Government Securities	<u>132,544</u>	<u>-</u>	<u>-</u>	<u>132,544</u>
Total assets at fair value	<u>\$ 558,991</u>	<u>\$ 320,316</u>	<u>\$ 23,777</u>	<u>\$ 903,084</u>



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE F - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of dividends and interest within the statement of net assets available for benefits per the financial statements to Form 5500 as of October 31, 2010:

Dividends and interest per the financial statements	\$ 28,564
Net investment gain from common collective trust recorded on Form 5500	____(70)
Dividends and interest per Form 5500	<u>\$ 28,494</u>

NOTE G - RISKS AND UNCERTAINTIES

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

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

NOTE H - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump sum distributions, under the Plan's provisions that are attributable to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries and present employees or their beneficiaries. Benefits for active participants are a function of their base salary on the date in which the benefit information is presented. Benefits payable under all circumstances, retirement, death, disability and termination of employment, are included to the extent they are deemed attributable to employee service rendered to the valuation date.



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE H - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS - Continued

The actuarial present value of accumulated plan benefits is determined by an independent actuary from Mellon Trust of New England and it is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of October 31, 2010 and 2009 were (a) pre and post-retirement mortality (2010 Mortality Table per IRS Regulation 1.412(1)(7)-1 for 2010 and 2009) (b) retirement age assumptions (assumed retirement age of 65), (c) investment return (assumed rate of return of 8.5% for 2010 and 2009) and (d) interest discount rate (5.75% for 2010 and 6.0% for 2009).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

NOTE I - TAX STATUS OF THE PLAN

The Plan obtained its latest determination letter October 2004, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of October 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subjects to income tax examinations for years prior to 2008.



Webster, Alabama Hourly Employees' Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2010 and 2009

NOTE J - EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are part of a common collective trust managed by Mellon Trust of New England, N.A., the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions.

NOTE K - SUBSEQUENT EVENTS

On November 1, 2010, the Plan changed its trustee from Mellon Trust of New England, N.A. to Wells Fargo Bank, N.A.

Management has evaluated subsequent events through July 28, 2011, the date the financial statements were available to be issued. Except as disclosed above, there are no recognized or non-recognized subsequent events that existed at the balance sheet date which are necessary to disclose to keep the financial statements from being misleading.



Webster, Alabama Hourly Employees' Pension Plan

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

Employer Identification Number: 04-2322590 -- Plan Number: 005

October 31, 2010

(a)	<u>(b) Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>(c) Description of Investment</u>	<u>(d) Cost</u>	<u>(e) Current Value</u>
	Abbot Laboratories	Common Stock	\$ 10,114	\$ 10,264
	Albemarle Corp	Common Stock	9,474	15,039
	Aloca Inc	Common Stock	11,178	11,826
	Analog Devices Inc	Common Stock	14,994	16,835
	Arrow Electronics Inc	Common Stock	12,670	14,805
	Autonation Inc.	Common Stock	10,261	11,610
	Bank of America Corp	Common Stock	9,783	7,682
	Best Buy Co Inc	Common Stock	13,316	17,192
	Commercial Metals Co	Common Stock	11,872	11,104
	Coventry Health Care Inc	Common Stock	9,915	11,710
	Equifax Inc	Common Stock	10,952	13,252
	Forest Oil Corp	Common Stock	9,800	15,370
	General Electric Co	Common Stock	10,143	11,214
	Genuine Parts Co	Common Stock	10,758	14,358
	HCC Insurance Holdings Inc	Common Stock	13,195	13,240
	Illinois Tool Works Inc	Common Stock	18,368	18,272
	International Business Machine	Common Stock	13,007	14,360
	Johnson & Johnson	Common Stock	11,810	12,748
	Kimberly Clark Corp	Common Stock	12,232	12,668
	Laboratory Corp of America Hol	Common Stock	15,076	16,264
	Mastercard Inc	Common Stock	21,780	24,006
	Microsoft Corp	Common Stock	13,865	13,333
	Novartis AG ADR	Common Stock	15,585	17,385
	NYSE Euronext	Common Stock	10,340	12,256
	Omnicom Group Inc	Common Stock	13,712	17,584
	PPG Inc Com	Common Stock	11,286	15,340
	Pitney Bowes Inc	Common Stock	7,350	6,582
	Raytheon Co	Common Stock	13,728	13,824
	Rent-A-Center Inc/TX	Common Stock	17,327	20,112
	Snap On Inc	Common Stock	14,612	20,400
	Superior Energy Services Inc	Common Stock	12,966	16,572
	Telefonica S A Sponsored ADR	Common Stock	16,786	16,228
	United Technologies Corp	Common Stock	16,639	18,692
	Wal Mart Stores Inc	Common Stock	9,936	10,834
	Walgreen Co	Common Stock	14,664	16,940
	Total common stock		449,494	509,901
	Union PAC CORP NT			
	6.125% 02/15/2020 DD 02/20/09	Corporate Debt Instruments	27,811	29,943
	Total corporate debt instruments		27,811	29,943

Webster, Alabama Hourly Employees' Pension Plan

SCHEDULE H, LINE 4i -- SCHEDULE OF ASSETS (HELD AT END OF YEAR) - CONTINUED
Employer Identification Number: 04-2322590 -- Plan Number: 005

October 31, 2010

<u>(a)</u>	<u>(b) Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>(c) Description of Investment</u>	<u>(d) Cost</u>	<u>(e) Current Value</u>
	Bank Of America Corp 7.625% 06/01/2019 DD 06/02/09	Corporate Debt Instruments - Preferred	28,848	29,267
	Bellsouth Corp NT 5.200% 12/15/2016 DD 12/22/04	Corporate Debt Instruments - Preferred	26,300	28,726
	Boeing CO/THE 4.875% 02/15/2020 DD 07/28/09	Corporate Debt Instruments - Preferred	25,568	28,339
	General Elec Cap Corp Book 5.250% 05/15/2018 DD 05/15/08	Corporate Debt Instruments - Preferred	49,577	52,299
	JP Morgan Chase & Co Sub NT 6.125% 06/27/2017 DD 06/27/07	Corporate Debt Instruments - Preferred	53,830	56,843
	Wal Mart Stores Inc NT 5.875% 04/05/2027 DD 04/05/07	Corporate Debt Instruments - Preferred	53,300	56,641
	Total corporate debt instruments - preferred		237,423	252,115
*	EB Temporary Investment FD11 0.379% 12/31/40 DD 11/01/01	Common Collective Trust	48,102	48,102
	Total common collective trust		48,102	48,102
	US Treasury-CPI Inflation 2.000% 01/15/2026 DD 01/15/06	U.S. Government Securities	83,223	94,292
	US Treasury-CPI Inflation Index 1.375% 07/15/2018 DD 07/15/07	U.S. Government Securities	50,823	55,181
	Total U.S. Government securities		134,046	149,473
	Total investments		\$ 896,876	\$ 989,534

* Indicates a party-in-interest

Webster, Alabama Hourly Employees' Pension Plan

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Employer Identification Number: 04-2322590 - Plan Number: 005

For the year ended October 31, 2010

(a) Identify of Party Involved	(b) Description of Investment	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Series of transactions in excess of 5% of plan assets								
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001 Purchased units in 48 transactions	\$ 333,194	\$ -	\$ -	\$ -	\$ 333,194	\$ 333,194	\$ -
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001 Sold units in 31 transactions		356,971	-	-	356,971	356,971	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001 Purchased units in 16 transactions	180,624	-	-	-	-	-	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001 Sold units in 8 transactions		132,522			132,522	132,522	-
Single transactions in excess of 5% of plan assets								
Mellon Trust Company	Disney Walt Co #TR 00053 5.625% 09/15/2016 DD 09/11/2006	-	55,260	-	-	-	52,050	3,210
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	54,216	-			54,216	54,216	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	196,797	-	-	-	196,797	196,797	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	-	97,071			97,071	97,071	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001		76,217	-	-	76,217	76,217	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	76,146			-	76,146	76,146	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	76,146			-	76,146	76,146	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	-	76,146	-	-	76,146	76,146	-

Webster, Alabama Hourly Employees' Pension Plan
04-2322590 PN: 005
Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions

Effective Date	November 1, 1988
Eligible Employees	Any employee at the Company's Montgomery, Alabama facility who is receiving hourly remuneration
Participation Date	January 1 or July 1 following completion of one year of Eligibility Service
Definitions	
Vesting Service	One year for each 750-hour calendar year of employment
Eligibility Service	One year for each 750-hour computation period. Computation period means the twelve consecutive month period following the date an employee first completes an hour of service, and each Plan Year thereafter
Benefit Service	Beginning with the later of January 1, 1980 and date of hire, an employees shall be credited with Benefit Service based on the following schedule:

<u>Hours of Service an Eligible Employee in Calendar Year</u>	<u>Amount of Benefit Service</u>
Less than 375	0 years
375 - 749	1/4 year
750 - 1,039	1/2 year
1,040 - 1,499	3/4 year
1,500 or more	1 year

Plan Provisions (cont.)

Prior to January 1, 1980, Benefit Service was credited based on the schedule then in effect

Normal Retirement Date

First of month coinciding with or next following the attainment of age 65 with 5 years of Vesting Service

Monthly Pension Benefits

The sum of (a), (b), and (c) less (d):

- (a) \$9.00 per month multiplied by Benefit Service credited after October 31, 2001
- (b) \$6.00 per month multiplied by Benefit Service credited on or after November, 1991
- (c) \$4.90 per month multiplied by Benefit Service credited on or prior to October 31, 1991
- (d) The benefit payable from the prior multiemployer plan for any period during which the employer made contributions on behalf of the employee

In no event shall the sum of Benefit Service credited under (a) exceed 30 years. In no event shall Benefit Service credited under (a), (b), and (c) combined exceed 30 years

Monthly Preretirement

50% of the Monthly Pension Benefit as of the date of death, reduced for the 50% joint and survivor election and reduced for payment as early as the employee's 55th birthday

Eligibility for Benefits

Normal Retirement

Monthly Pension Benefit determined as of Normal Retirement Date

Plan Provisions (cont.)

Early Retirement	Retire before Normal Retirement Date and on or after both attaining age 55 and completing 10 years of Vesting Service
Disability Retirement	Totally and permanently disabled after completing at least 10 years of Vesting Service
Postponed Retirement	Retire after Normal Retirement Date
Deferred Vested	Termination for reasons other than death or retirement after completing 5 years of Vesting Service
Preretirement Spouse Benefit	Die while eligible for Deferred Vested, Early, Normal, or Postponed Retirement Benefits, with a surviving spouse

Monthly Benefits Paid Upon the Following Events

Normal Retirement	Monthly Pension Benefit determined as of Normal Retirement Date
Early Retirement	Monthly Pension Benefit determined as of early retirement date, reduced by 0.25% for each of the first 36 months and by 0.50% for each additional month by which Early Retirement Date precedes Normal Retirement Date
Disability Retirement	Monthly Pension Benefit based on Benefit Service earned at the time of disability payable beginning after the fifth month of disability and continuing until death, retirement, or recovery
Postponed Retirement	Monthly Pension Benefit determined as of actual retirement date

Monthly Benefits Paid Upon the Following Events (cont.)

Termination with Deferred Vested Benefit	Monthly Pension Benefit determined as of termination date, payable at Normal Retirement Date or anytime after age 55 reduced 0.50% for each month by which commencement of payments precedes Normal Retirement Date
Death with Preretirement Spouse Benefits	Monthly Preretirement Spouse Benefit is payable
Forms of Payment	Monthly Pension Benefits will be paid as a three-year certain and life annuity, if the participant has no spouse as of the date payments commence, or if the participant so elects. Married participants will be paid in the form of a 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the Plan. Optional forms include a ten-year certain and life annuity, a three-year certain and life annuity, and a lump sum payment.
Changes in Plan Provisions	There were no changes in Plan provisions during the Plan Year.

Webster, Alabama Hourly Employees' Pension Plan
04-2322590 PN: 005
Schedule SB – Active Participants

Distribution of Active Participants

Credited Years of Service

<u>Age</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>Total</u>
20-24	38	2							40
25-29	40	25							65
30-34	24	20	2						46
35-39	27	9	10	2					48
40-44	28	11	8	5		1			53
45-49	15	15	11	7	3	1			52
50-54	11	15	10	5	2	2	4	1	50
55-59	9	13	8	6	2	2	4	4	48
60-64	5	2	5	3	1		1	2	19
65-69	2	2	1		1			3	9
70-74		1	1						2
75-79	—	—	<u>1</u>	<u>1</u>	—	—	—	—	2
Total	199	115	57	29	9	6	9	10	434

E.I.N. 04-2322590

P.N. 005

Schedule SB, line 32 - Schedule of Amortization Bases

**CHELSEA INDUSTRIES, INC.
WEBSTER, ALABAMA HOURLY EMPLOYEES'
PENSION PLAN**

A. AMORTIZATION BASE

Shortfall

Shortfall

Totals:

Date Established	Amortization Installment	Years Remaining Installments Amortization Period	Present Value Amortization of Remaining Installments
01-Nov-08	46,193	6.00	244,264
01-Nov-09	5,965	7.00	31,542
	52,158		275,806

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

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

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**For calendar plan year 2009 or fiscal plan year beginning 11/01/2009 and ending 10/31/2010

▶ Round off amounts to nearest dollar.

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

A Name of planWebster, Alabama Hourly Employees' Pension Plan**B Three-digit
plan number (PN)**005**C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF**Chelsea Industries, Inc.**D Employer Identification Number (EIN)**04-2322590**E Type of plan:** ☒ Single ☐ Multiple-A ☐ Multiple-B**F Prior year plan size:** ☐ 100 or fewer ☒ 101-500 ☐ More than 500**Part I Basic Information****1** Enter the valuation date: Month 11 Day 1 Year 2009**2 Assets:**

a Market value.....	2a	<u>1,078,397</u>
b Actuarial value.....	2b	<u>1,131,634</u>

3 Funding target/participant count breakdown

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	<u>1</u>	<u>9,476</u>
b For terminated vested participants.....	3b	<u>17</u>	<u>55,629</u>
c For active participants:			
(1) Non-vested benefits.....	3c(1)		<u>63,891</u>
(2) Vested benefits.....	3c(2)		<u>1,283,468</u>
(3) Total active.....	3c(3)	<u>394</u>	<u>1,347,359</u>
d Total.....	3d	<u>412</u>	<u>1,412,464</u>

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions.....	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	

5 Effective interest rate..... **5** 6.35 %**6** Target normal cost..... **6** 131,629**Statement by Enrolled Actuary**

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

**SIGN
HERE**

Signature of actuary

PAUL J. BRENNAN

Type or print name of actuary

BOSTON BENEFITS CONSULTING, INC.

Firm name

100 MAIN STREETCONCORD

Address of the firm

MA 01742-252807/15/2011

Date

11-01485

Most recent enrollment number

(978) 318-9900

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

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

Part III Funding percentages

14 Funding target attainment percentage	14	80.11 %
15 Adjusted funding target attainment percentage	15	80.40 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.09 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/15/2011	220,674				
Totals ▶	18(b)	220,674	18(c)		0

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

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	183,787

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of Quarter of this plan year

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

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:

a Segment rates:

1st segment:
5.35 %2nd segment:
6.61 %3rd segment:
6.67 %☐ N/A, full yield curve used

b Applicable month (enter code)

21b

0

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined☐ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28****29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions).....**31**

131,629

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

275,806

52,158

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....**34**

183,787

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

0

36 Additional cash requirement (item 34 minus item 35).....**36**

183,787

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c).....**37**

183,787

38 Interest-adjusted excess contributions for current year (see instructions).....**38**

0

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....**39**

0

40 Unpaid minimum required contribution for all years**40**

0

Webster, Alabama Hourly Employees' Pension Plan

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

Employer Identification Number: 04-2322590 -- Plan Number: 005

October 31, 2010

(a)	<u>(b) Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>(c) Description of Investment</u>	<u>(d) Cost</u>	<u>(e) Current Value</u>
	Abbot Laboratories	Common Stock	\$ 10,114	\$ 10,264
	Albemarle Corp	Common Stock	9,474	15,039
	Aloca Inc	Common Stock	11,178	11,826
	Analog Devices Inc	Common Stock	14,994	16,835
	Arrow Electronics Inc	Common Stock	12,670	14,805
	Autonation Inc.	Common Stock	10,261	11,610
	Bank of America Corp	Common Stock	9,783	7,682
	Best Buy Co Inc	Common Stock	13,316	17,192
	Commercial Metals Co	Common Stock	11,872	11,104
	Coventry Health Care Inc	Common Stock	9,915	11,710
	Equifax Inc	Common Stock	10,952	13,252
	Forest Oil Corp	Common Stock	9,800	15,370
	General Electric Co	Common Stock	10,143	11,214
	Genuine Parts Co	Common Stock	10,758	14,358
	HCC Insurance Holdings Inc	Common Stock	13,195	13,240
	Illinois Tool Works Inc	Common Stock	18,368	18,272
	International Business Machine	Common Stock	13,007	14,360
	Johnson & Johnson	Common Stock	11,810	12,748
	Kimberly Clark Corp	Common Stock	12,232	12,668
	Laboratory Corp of America Hol	Common Stock	15,076	16,264
	Mastercard Inc	Common Stock	21,780	24,006
	Microsoft Corp	Common Stock	13,865	13,333
	Novartis AG ADR	Common Stock	15,585	17,385
	NYSE Euronext	Common Stock	10,340	12,256
	Omnicom Group Inc	Common Stock	13,712	17,584
	PPG Inc Com	Common Stock	11,286	15,340
	Pitney Bowes Inc	Common Stock	7,350	6,582
	Raytheon Co	Common Stock	13,728	13,824
	Rent-A-Center Inc/TX	Common Stock	17,327	20,112
	Snap On Inc	Common Stock	14,612	20,400
	Superior Energy Services Inc	Common Stock	12,966	16,572
	Telefonica S A Sponsored ADR	Common Stock	16,786	16,228
	United Technologies Corp	Common Stock	16,639	18,692
	Wal Mart Stores Inc	Common Stock	9,936	10,834
	Walgreen Co	Common Stock	14,664	16,940
	Total common stock		449,494	509,901
	Union PAC CORP NT			
	6.125% 02/15/2020 DD 02/20/09	Corporate Debt Instruments	27,811	29,943
	Total corporate debt instruments		27,811	29,943

Webster, Alabama Hourly Employees' Pension Plan

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

Employer Identification Number: 04-2322590 -- Plan Number: 005

October 31, 2010

<u>(a)</u>	<u>(b) Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>(c) Description of Investment</u>	<u>(d) Cost</u>	<u>(e) Current Value</u>
	Bank Of America Corp 7.625% 06/01/2019 DD 06/02/09	Corporate Debt Instruments - Preferred	28,848	29,267
	Bellsouth Corp NT 5.200% 12/15/2016 DD 12/22/04	Corporate Debt Instruments - Preferred	26,300	28,726
	Boeing CO/THE 4.875% 02/15/2020 DD 07/28/09	Corporate Debt Instruments - Preferred	25,568	28,339
	General Elec Cap Corp Book 5.250% 05/15/2018 DD 05/15/08	Corporate Debt Instruments - Preferred	49,577	52,299
	JP Morgan Chase & Co Sub NT 6.125% 06/27/2017 DD 06/27/07	Corporate Debt Instruments - Preferred	53,830	56,843
	Wal Mart Stores Inc NT 5.875% 04/05/2027 DD 04/05/07	Corporate Debt Instruments - Preferred	53,300	56,641
	Total corporate debt instruments - preferred		237,423	252,115
*	EB Temporary Investment FD11 0.379% 12/31/40 DD 11/01/01	Common Collective Trust	48,102	48,102
	Total common collective trust		48,102	48,102
	US Treasury-CPI Inflation 2.000% 01/15/2026 DD 01/15/06	U.S. Government Securities	83,223	94,292
	US Treasury-CPI Inflation Index 1.375% 07/15/2018 DD 07/15/07	U.S. Government Securities	50,823	55,181
	Total U.S. Government securities		134,046	149,473
	Total investments		\$ 896,876	\$ 989,534

* Indicates a party-in-interest

Webster, Alabama Hourly Employees' Pension Plan

SCHEDULE H, LINE 4j -- SCHEDULE OF REPORTABLE TRANSACTIONS
Employer Identification Number: 04-2322590 -- Plan Number: 005

For the year ended October 31, 2010

(a) Identify of Party Involved	(b) Description of Investment	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(b) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Series of transactions in excess of 5% of plan assets								
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001 Purchased units in 48 transactions	\$ 333,194	\$ -	\$ -	\$ -	\$ 333,194	\$ 333,194	\$ -
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001 Sold units in 31 transactions		356,971		-	356,971	356,971	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001 Purchased units in 16 transactions	180,624	-	-	-	-	-	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001 Sold units in 8 transactions		132,522		-	132,522	132,522	-
Single transactions in excess of 5% of plan assets								
Mellon Trust Company	Disney Walt Co #TR 00053 5.625% 09/15/2016 DD 09/11/2006	-	55,260	-	-	-	52,050	3,210
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	54,216	-			54,216	54,216	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	196,797	-	-	-	196,797	196,797	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001	-	97,071			97,071	97,071	-
Mellon Trust Company	TBC Inc Pooled Emp Daily Var RT 12/31/2049 DD 11/1/2001		76,217	-	-	76,217	76,217	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	76,146			-	76,146	76,146	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	76,146			-	76,146	76,146	-
Mellon Trust Company	EB Temporary Investment FD 11 0.379% 12/31/2040 DD 11/01/2001	-	76,146	-	-	76,146	76,146	-

Webster, Alabama Hourly Employees' Pension Plan
04-2322590 PN: 005
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Schedule SB, Line 22 – Weighted Average Retirement Age

Actuarial Assumptions and Methods

Actuarial cost method

Unit credit cost method

Asset valuation method

Market value with 3 year smoothing
for funding calculations

Actuarial assumptions

ERISA Interest Rates

IRS segment rates of 5.35%, 6.61%,
and 6.67%

FAS Discount Rate

5.75%

FAS Return on Assets

8.50%

Compensation Increases

N.A.

Social Security Wage Base

N.A.

Retirement Age

Age 65

Termination of Employment

25% of the nonvested liabilities are
assumed to be forfeited

Mortality

Changes

There were no changes to non-prescribed
actuarial methods or assumptions during
the year.

Webster, Alabama Hourly Employees' Pension Plan
04-2322590 PN: 005
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Schedule SB, Line 22 – Weighted Average Retirement Age

Actuarial Assumptions and Methods

Actuarial cost method

Unit credit cost method

Asset valuation method

Market value with 3 year smoothing
for funding calculations

Actuarial assumptions

ERISA Interest Rates

IRS segment rates of 5.35%, 6.61%,
and 6.67%

FAS Discount Rate

5.75%

FAS Return on Assets

8.50%

Compensation Increases

N.A.

Social Security Wage Base

N.A.

Retirement Age

Age 65

Termination of Employment

25% of the nonvested liabilities are
assumed to be forfeited

Mortality

Changes

There were no changes to non-prescribed
actuarial methods or assumptions during
the year.