# 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

**2010**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
THE GRAHAM COMPANIES 401(K) PROFIT SHARING PLAN AND TRUST

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 06/01/1974

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
THE GRAHAM COMPANIES

6843 MAIN STREET
MIAMI LAKES, FL 33014

**2b** Employer Identification Number (EIN) 65-0127392

**2c** Sponsor's telephone number 305-820-8051

**2d** Business code (see instructions) 531390

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 09/12/2011 | ELLEN M. SELMER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
THE GRAHAM COMPANIES

6843 MAIN STREET
MIAMI LAKES, FL 33014

**3b** Administrator's EIN
65-0127392

**3c** Administrator's telephone number
305-820-8051

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 459 |
| **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** | 373 |
| **b** | Retired or separated participants receiving benefits | **6b** | 1 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 64 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 438 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 1 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 439 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 410 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2010**<br>**This Form is Open to Public Inspection.** |

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

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ | |
|---|---|---|
| THE GRAHAM COMPANIES 401(K) PROFIT SHARING PLAN AND TRUST | | 002 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) | |
| THE GRAHAM COMPANIES | 65-0127392 | |

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

CHARLES SCHWAB INVESTMENT MANAGEMEN

94-3106735

**(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)

RUANE, CUNNIFF & GOLDFARB INC.

13-2628641

| (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? |
|---|---|---|---|---|---|---|
| 28 51 | NONE | 32134 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

NEWPORT RETIREMENT SERVICES, INC.

62-1868111

| (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? |
|---|---|---|---|---|---|---|
| 15 28 37 38 60 64 | NONE | 75964 | Yes [X] No [ ] | Yes [ ] No [X] | 19404 | Yes [ ] No [X] |

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

CHARLES SCHWAB TRUST COMPANY

42-1558009

| (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? |
|---|---|---|---|---|---|---|
| 12 19 65 99 | NONE | 8004 | Yes [X] No [ ] | Yes [X] No [ ] | 14730 | Yes [ ] No [X] |

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

MORRISON, BROWN, ARGIZ & FARRA, LLP

01-0720052

| (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 50 | NONE | 8500 | 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 |
|---|---|---|
| NEWPORT RETIREMENT SERVICES, INC. | 15 28 37 38 64 | 19404 |

| **(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. |
|---|---|
| CHARLES SCHWAB & CO., INC.<br><br>94-1737782 | REVENUE SHARING USED TO OFFSET PLAN EXPENSES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| CHARLES SCHWAB TRUST CO. | 12 19 65 99 | 14730 |

| **(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. |
|---|---|
| NEWPORT RETIREMENT SERVICES, INC.<br><br>62-1868111 | TRUST TRADE CUSTODIAN PARTNER FEES FOR THE PLAN YEAR |

| **(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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

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

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

**A** Name of plan
THE GRAHAM COMPANIES 401(K) PROFIT SHARING PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 002

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE GRAHAM COMPANIES

**D** Employer Identification Number (EIN)
65-0127392

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB INST LARGE CAP VALUE TRUST F

**b** Name of sponsor of entity listed in (a): THE CHARLES SCHWAB TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 81-0625170-001 | C | 498900 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB STABLE VALUE FUND

**b** Name of sponsor of entity listed in (a): THE CHARLES SCHWAB TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 81-0625180-001 | C | 1770927 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

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

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

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

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

**A** Name of plan
THE GRAHAM COMPANIES 401(K) PROFIT SHARING PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE GRAHAM COMPANIES

**D** Employer Identification Number (EIN)
65-0127392

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 186906 | 204644 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 2213002 | 2269827 |
| **(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) | 9945793 | 9957886 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(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 | 12345701 | 12432357 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 12345701 | 12432357 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 100122 | |
| | **(B)** Participants | 2a(1)(B) | 510323 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 33231 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 643676 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 11506 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 11506 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 176407 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 176407 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 39423 |
| (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) | | 1558123 |
| **c** Other income | 2c | | 5361 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2434496 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 2209265 | |
| (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) | | 2209265 |
| **f** Corrective distributions (see instructions) | 2f | | 13753 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: (1) Professional fees | 2i(1) | 8500 | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 32134 | |
| (4) Other | 2i(4) | 84188 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 124822 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2347840 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | 86656 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MORRISON, BROWN, ARGIZ & FARRA, LLC (2) EIN: 27-4677688

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | **4a** | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 10000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | **4j** | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | | |

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

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

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

**A** Name of plan
THE GRAHAM COMPANIES 401(K) PROFIT SHARING PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE GRAHAM COMPANIES

**D** Employer Identification Number (EIN)
65-0127392

## Part I Distributions

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

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

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

EIN(s): 42-1558009

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

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

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

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

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

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

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

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

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

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

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

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

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

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

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

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

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

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

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

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

# THE GRAHAM COMPANIES 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009



**THE GRAHAM COMPANIES 401(K) PLAN**

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MBAF
MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Plan Participants and Administrator of
The Graham Companies 401(k) Plan

We were engaged to audit the financial statements and supplemental schedules of The Graham Companies 401(k) Plan (the "Plan") at December 31, 2010 and 2009 and for the years then ended as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 4, which was certified by Charles Schwab Trust Company, the custodian 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 Charles Schwab Trust Company holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from Charles Schwab Trust Company as of December 31, 2010 and 2009 and for the years then ended, that the information provided to the plan administrator by Charles Schwab Trust Company 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.

Morrison, Brown, Argiz & Farra

Miami, Florida
September 12, 2011

## THE GRAHAM COMPANIES 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

| | 2010 | 2009 |
|---|---|---|
| ASSETS | | |
| Cash | $ - | $ 632 |
| Investments: | | |
| Investments at fair value | 12,227,713 | 12,158,796 |
| Receivables: | | |
| Notes receivable from participants | 204,644 | 190,115 |
| TOTAL ASSETS AVAILABLE FOR BENEFITS | 12,432,357 | 12,349,543 |
| LIABILITIES | | |
| Accrued expenses | 24,104 | 27,946 |
| TOTAL LIABILITIES | 24,104 | 27,946 |
| TOTAL NET ASSETS AVAILABLE FOR BENEFITS | **$ 12,408,253** | **$ 12,321,597** |

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

## THE GRAHAM COMPANIES 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31,

| | 2010 | 2009 |
|---|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| INVESTMENT INCOME: | | |
| Dividends | $ 176,407 | $ 177,711 |
| Net appreciation in the fair value of investments | 1,602,907 | 1,925,068 |
| TOTAL INVESTMENT INCOME | 1,779,314 | 2,102,779 |
| Interest income on notes receivable from participants | 11,506 | 10,653 |
| CONTRIBUTIONS: | | |
| Employer | 100,122 | 69,248 |
| Participants' and rollovers | 543,554 | 540,939 |
| TOTAL CONTRIBUTIONS | 643,676 | 610,187 |
| TOTAL ADDITIONS | 2,434,496 | 2,723,619 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid directly to participants | 2,223,018 | 2,346,147 |
| Administrative and investment expenses | 124,822 | 148,822 |
| TOTAL DEDUCTIONS | 2,347,840 | 2,494,969 |
| NET INCREASE | 86,656 | 228,650 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| BEGINNING OF YEAR | 12,321,597 | 12,092,947 |
| END OF YEAR | **$ 12,408,253** | **$ 12,321,597** |

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

## 1. DESCRIPTION OF THE PLAN

The following description of The Graham Companies 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan and Trust Agreement for a complete description of the Plan's provisions.

### General

The Graham Companies 401(k) Plan is a defined contribution plan that was established as a means of allowing the employees of the Graham Companies (the "Company") to share in profits and aid in establishing estate and personal savings. The Plan was originally established as The Graham Companies Profit Sharing Plan on June 1, 1974. On January 1, 1997, the Company enacted Plan provisions to become a 401(k) Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Participant

Each employee who has completed 1,000 hours of service during the 12 month period following their hire date, is eligible to participate in the Plan.

### Plan Administration

The Plan has an Administrative Committee appointed by the Company, serving as the Plan Administrator. Charles Schwab Trust Company serves as the Plan's custodian and sole trustee. The Newport Group and Ruane, Cunniff and Goldfarb, Inc. ("RCG") served as the Plan's asset managers. Plan administration expenses are paid directly from Plan assets.

### Termination

The Board of Directors of the Company has the right to terminate the Plan for any reason and at any time by adopting an appropriate resolution to that effect. The Board of Directors has not expressed any intent to terminate the Plan, but in such event the Plan provides for the distribution of the net assets of the Plan as if all participants and beneficiaries were 100 percent vested.

### Employer Contributions

When originally established, contributions by the Company were allocated to each participant on the basis of the participant's compensation. Effective July 1, 2005, the Company discontinued making contributions on the basis of compensation and switched to a matching contribution equal to 50% of a participant's contribution up to 3% of annual compensation. In May 2009, the Company resolved to suspend matching contributions to the Plan, effective May 22, 2009. However, the Company match was re-instated in June 2010 under the same provisions as before the suspension.

### Participant Contributions

Contributions to the Plan are made by the participants. Participants may elect to defer their annual compensation, as defined by the Plan and consistent with the Internal Revenue Service guidelines. Additionally, participants may rollover or transfer to the Plan any portion or all of the property received from another qualified employee benefit trust (rollover contribution).

Employees who entered the Plan on or after July 1, 2006 have 1% of their compensation automatically withheld, unless employee elects otherwise. At any time, an employee can elect not to make contributions. If an employee does not select one of the available investment options, his or her contributions will be invested in the American Funds Balanced Fund.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### Investment Options

Upon enrollment in the Plan, a participant may direct their contributions into any of several investment options. Participants may change their investment options at their discretion.

### Participant Accounts

Each participant's account is credited with (a) participants' voluntary contribution, (b) the Company's matching contribution, if any, and (c) allocation of Plan's earnings, and charged with an allocation of administrative expenses and withdrawals. Allocations are based on participant account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested balances.

### Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company's discretionary and matching contribution portion of their accounts plus actual earnings thereon is based on years of credited service. A participant is 100 percent vested after five years for years before 2007 and effective in 2007, a participant is 100 percent vested after three years of credited service in the discretionary portion and after three years of credited service in the matching portion.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of (a) 50 percent of their pre-tax and post-tax contributions, or (b) $50,000. Loans must have a definite repayment period not to exceed five years, or up to fifteen years if for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at rates equal to the prime interest rate at the beginning of the quarter in which the loan is approved plus two percent. Principal and interest are paid through payroll deductions.

### Payment of Benefits

Upon termination of service, death or normal retirement age, the participant or beneficiary may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments over a period not exceeding twenty years. A participant may withdraw his or her own contributions, and applicable earnings thereon, subject to certain plan provisions.

### Forfeited Accounts

At December 31, 2010 and 2009, forfeited nonvested accounts totaled $4,948 and $6,564, respectively. At December 31, 2010 and 2009, these forfeited amounts were applied to the matching contributions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The Plan's financial statements are prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates including those regarding fair value, and assumptions that affect the reported amounts of assets and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investment Valuation and Income Recognition

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 5 for discussion of fair value measurements. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Investments in the pooled fund are valued at quoted market prices of the underlying assets of the fund. Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date and gain or loss on sale of investments is recognized when earned. Such amounts are reinvested and become part of the Plan's investment portfolio.

The Plan presents in the Statements of Changes in Net Assets Available for Benefits, the net appreciation or depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

### Tax Status

The Plan adopted its latest Prototype Non-standardized Profit Sharing Plan with a cash or deferral arrangement developed by Newport Retirement Services, Inc., which obtained a favorable Internal Revenue Service ("IRS") determination letter on March 31, 2008 in which the IRS stated that the form of the underlying prototype plan was acceptable under provisions of the Internal Revenue Code ("Code") and that any employer adopting this form of the plan will be considered to have a plan qualified under the Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 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 accompanying 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 subject to income tax examinations for years prior to 2007.

### Payment of Benefits

The benefit amounts are reflected in the Statements of Changes in Net Assets Available for Benefits when the actual benefits are paid.

### Subsequent Events

The Plan has evaluated subsequent events through September 12, 2011, which is the date the financial statements were available to be issued.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Adopted Accounting Pronouncements**

Notes Receivable from Participants

In 2010, the Plan adopted an accounting standard update which clarifies how loans to participants should be classified and measured by defined contribution benefit plans. The standard requires that participant loans be segregated from plan investments and presented as notes receivables from participants and measured at their unpaid principal balance plus any accrued but unpaid interest. As a result, the Plan has reclassified participant loans for 2010 and 2009 from investments to notes receivable from participants.

Fair Value Measurements – Liabilities

In August 2009, the FASB issued an accounting standard update to guidance on fair value measurements and disclosure. The updated guidance clarifies that the fair value of a liability can be measured in relation to the quoted price of the liability when the liability trades as an asset in an active market, without adjusting the price for restrictions that prevent the transfer of the liability. This update was effective for annual and interim periods beginning after August 31, 2009. The adoptions of this update did not have an effect on the valuation techniques used by the Plan for measuring liabilities at fair value.

Fair Value Measurements

In September 2009, the FASB issued an accounting standard update which amends existing guidance on fair value measurements and disclosures. The update allows an entity to measure the fair value of an investment that has no readily determinable fair market value, on the basis of the net asset value per share as provided by the investee. The update was effective for annual and interim periods ending after December 15, 2009. The adoption of this update did not have a material effect on the Plan's financial statements.

**Recently Issued Accounting Pronouncements**

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The Company's adoption of the new disclosures and clarifications of existing disclosures that were effective for interim and annual reporting periods beginning after December 15, 2009 did not have an effect on the Company's financial statements. The disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of the Level 3 disclosures is not expected to have an effect on the Company's financial statements.

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs

In May 2011, the FASB issued an accounting standard update which works to achieve common fair value measurement and disclosure requirements in US GAAP and International Financial Reporting Standards. The update both clarifies the FASB's intent about the application of existing fair value guidance, and also changes certain principles regarding measurement and disclosure. The update is effective prospectively and is effective for annual periods beginning after December 15, 2011. Early application is permitted for interim periods beginning after December 15, 2011. The Plan is currently evaluating the effect the update will have on its financial statements.

## 3. INVESTMENTS

The following investments individually comprise 5 percent or more of the fair value of net assets available for benefits as of December 31:

| | 2010 | 2009 |
|---|---|---|
| Mutual Funds: | | |
| Pimco Total Return Fund Class D | $ 1,624,959 | $ 1,566,491 |
| Ruane Managed Fund | 4,554,292 | 4,076,011 |
| Schwab Stable Value Fund Advisor | 1,770,927 | 1,722,203 |
| EuroPacific Growth Fund | * | 717,892 |
| Harbor International Fund | 733,480 | 696,926 |
| Pimco Real Return Fund | * | 962,401 |

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $1,602,907 and $1,925,068, respectively.

* Amount did not represent 5% or more of the plan's net assets available for benefits.

## 4. FINANCIAL INFORMATION CERTIFIED BY TRUSTEE AND CUSTODIAN

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Accordingly, Charles Schwab Trust Company, custodian of the Plan, has certified to the completeness and accuracy of all investments reflected on the Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009 and the related investment income, comprised of net appreciation in fair value of investments and interest and dividend income, reflected in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2010 and 2009.

## 5. FAIR VALUE MEASUREMENTS

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

## 5. FAIR VALUE MEASUREMENTS (CONTINUED)

*Common/collective trust:* Valued at fair value. Fair value of the common trust's underlying investments as based on information reported by the investment advisor using the unaudited financial statements of the common trust at year end. The Trust reports bonds and other obligations, short-term investments and equity securities at fair values based on published quotations. The common/collective trusts include the Schwab Institutional Large Cap Value Fund and Schwab Stable Value Fund Advisor.

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

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009, respectively:

| | | Fair Value Measurements at Reporting Date Using: | | |
|---|---|---|---|---|
| **Description** | **Fair Value 12/31/2010** | **Quoted Prices in Active Markets for Identical Assets (Level 1)** | **Significant Other Observable Inputs (Level 2)** | **Significant Unobservable Inputs (Level 3)** |
| Common/collective trusts: | | | | |
| Large value | $ 498,900 | $ - | $ 498,900 | $ - |
| Stable value | 1,770,927 | - | 1,770,927 | - |
| Total Common/collective trusts | 2,269,827 | - | 2,269,827 | - |
| Mutual funds: | | | | |
| Balanced | 69,697 | 69,697 | - | - |
| Inflation-linked bond | 574,872 | 574,872 | - | - |
| International value | 733,480 | 733,480 | - | - |
| International growth | 587,238 | 587,238 | - | - |
| Intermediate term bond | 1,624,959 | 1,624,959 | - | - |
| Large blend | 4,554,292 | 4,554,292 | - | - |
| Large growth | 393,586 | 393,586 | - | - |
| Market index | 435,909 | 435,909 | - | - |
| Mid growth | 210,602 | 210,602 | - | - |
| Mid value | 367,485 | 367,485 | - | - |
| Small growth | 154,501 | 154,501 | - | - |
| Small value | 251,265 | 251,265 | - | - |
| Total Mutual funds | 9,957,886 | 9,957,886 | - | - |
| Total assets at fair value | **$ 12,227,713** | **$ 9,957,886** | **$ 2,269,827** | **$ -** |

## 5. FAIR VALUE MEASUREMENTS (CONTINUED)

| | | Fair Value Measurements at Reporting Date Using: | | |
|---|---|---|---|---|
| Description | Fair Value 12/31/2009 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investment in common/collective trusts | $ 2,213,002 | $ - | $ 2,213,002 | $ - |
| Mutual funds | 9,945,794 | 9,945,794 | - | - |
| Total assets at fair value | **$ 12,158,796** | **$ 9,946,426** | **$ 2,213,002** | **$ -** |

## 6. ADMINISTRATIVE AND INVESTMENT EXPENSES

The following represents administrative and investment expenses for the years ended December 31:

| | 2010 | 2009 |
|---|---|---|
| Custodial fees | $ 8,004 | $ 16,322 |
| Professional fees | 8,500 | 8,500 |
| Investment advisory fees | 32,134 | 67,273 |
| Record keeper fees | 76,184 | 56,727 |
| | **$ 124,822** | **$ 148,822** |

RCG charges a fee to manage the various common stocks and cash in their portfolio. This fee is paid quarterly by the Plan. Each participant who invests in the RCG portfolio is charged his/her proportionate share based upon respective balances. The RCG fee is accrued daily within this fund and reduces the net asset value.

## 7. RISKS AND UNCERTAINTIES

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

## 8. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are in shares of mutual funds managed by Charles Schwab Trust Company ("CSTC"), which serves as the trustee and custodian of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to CSTC for investment management services amounted to $8,004 and $16,322 for the years ended December 31, 2010 and 2009, respectively.

## 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to Form 5500:

| | 2010 | 2009 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 12,408,253 | $ 12,321,597 |
| Cash | - | (632) |
| Accrued expenses and other | 24,104 | 24,736 |
| Net assets available for benefits per Form 5500 | **$ 12,432,357** | **$ 12,345,701** |

The following is a reconciliation of the change in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31,:

| | 2010 | 2009 |
|---|---|---|
| Change in net assets available for benefits per the financial Statements | $ 86,656 | $ 228,650 |
| Less: | | |
| Excess contributions payable for 2008 | - | (10,891) |
| Accrued expenses for 2008 | - | (29,004) |
| Plus: | | |
| Accrued expenses for 2009 | - | 27,946 |
| Miscellaneous | - | 388 |
| Change in net assets available for benefits per Form 5500 | **$ 86,656** | **$ 217,089** |

SUPPLEMENTAL SCHEDULES

**THE GRAHAM COMPANIES 401(K) PLAN**

EIN: 65-0127392
PLAN NUMBER: 002
FORM 5500, SCHEDULE H, LINE 4I
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010

| Identify of issue, borrower, lessor or Similar party | Description of investment, including maturity date, rate of interest, collateral, par or maturity value | Current value |
|---|---|---|
| American Beacon Small Cap Value Plan | Mutual Fund | $ 251,265 |
| EuroPacific Growth Fund | Mutual Fund | 587,238 |
| Growth Fund of America American Funds | Mutual Fund | 393,586 |
| American Funds Balanced Fund | Mutual Fund | 69,697 |
| Harbor International Fund | Mutual Fund | 733,480 |
| Perkins Mid Cap Value Fund Class T | Mutual Fund | 367,485 |
| Morgan Stanley Mid Cap Growth I | Mutual Fund | 210,602 |
| Pimco Real Return Fund | Mutual Fund | 574,872 |
| Pimco Total Return Fund Class D | Mutual Fund | 1,624,959 |
| Ruane Managed Fund | Mutual Fund | 4,554,292 |
| Schwab S&P 500 Index Fund * | Mutual Fund | 435,909 |
| Vanguard Explorer Fund | Mutual Fund | 154,501 |
| Schwab Institutional Large Cap Value * | Collective Investment Trusts | 498,900 |
| Schwab Stable Value Fund Advisor * | Collective Investment Trusts | 1,770,927 |
| | | 12,227,713 |
| Participant Loans | Various maturities through December 2021, interest at 5.25% thru 10% | 204,644 |
| | | **$ 12,432,357** |

* Party-in-interest

This schedule has been prepared from data certified as complete and accurate by Charles Schwab Trust Company.

**THE GRAHAM COMPANIES 401(K) PLAN**

EIN: 65-0127392
PLAN NUMBER: 002
FORM 5500, SCHEDULE H, LINE 4I
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

| Identify of issue, borrower, lessor or Similar party | Description of investment, including maturity date, rate of interest, collateral, par or maturity value | Current value |
|---|---|---|
| American Beacon Small Cap Value Plan | Mutual Fund | $ 125,075 |
| EuroPacific Growth Fund | Mutual Fund | 717,892 |
| Growth Fund of America American Funds | Mutual Fund | 516,491 |
| American Funds Balanced Fund | Mutual Fund | 20,833 |
| Harbor International Fund | Mutual Fund | 696,926 |
| Perkins Mid Cap Value Fund Class T | Mutual Fund | 454,218 |
| Morgan Stanley Mid Cap Growth I | Mutual Fund | 242,809 |
| Pimco Real Return Fund | Mutual Fund | 962,401 |
| Pimco Total Return Fund Class D | Mutual Fund | 1,566,491 |
| Ruane Managed Fund | Mutual Fund | 4,076,011 |
| Schwab S&P 500 Index Fund * | Mutual Fund | 443,355 |
| Vanguard Explorer Fund | Mutual Fund | 123,292 |
| Schwab Institutional Large Cap Value * | Collective Investment Trusts | 440,799 |
| Schwab Stable Value Fund Advisor * | Collective Investment Trusts | 1,772,203 |
| | | 12,158,796 |
| Participant Loans | Various maturities through December 2021, interest at 5.25% thru 10% | 190,115 |
| | | **$ 12,348,911** |

* Party-in-interest

This schedule has been prepared from data certified as complete and accurate by Charles Schwab Trust Company.

**Schedule H, line 4i - Schedule of Assets (Held At End of Year)**
**The Graham Companies 401(k) Profit Sharing Plan and Trust**
**For Calendar year 2010**
**EIN: 65-0127392 Plan #: 002**

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | American Beacon Small Cap Value | Reg. Inv. Co. | | 251,265 |
| | Amer Fds Europacific Growth Fund R5 | Reg. Inv. Co. | | 587,238 |
| | Morgan Stanley Inst Mid Cap Growth | Reg. Inv. Co. | | 210,602 |
| | American Funds Growth Fund of America R5 | Reg. Inv. Co. | | 393,586 |
| | American Funds Balanced Fund Inc R5 | Reg. Inv. Co. | | 69,697 |
| | Harbor International Fund | Reg. Inv. Co. | | 733,480 |
| | Perkins Mid Cap Value Inv Shares | Reg. Inv. Co. | | 367,485 |
| | Pimco Real Return Fd Instl | Reg. Inv. Co. | | 574,872 |
| | Pimco Total Return Fd Cl D | Reg. Inv. Co. | | 1,624,959 |
| | Ruane Managed Fund | Reg. Inv. Co. | | 4,554,292 |
| | Schwab S&P 500 Index Fund | Reg. Inv. Co. | | 435,909 |
| | Vanguard Explorer Fund | Reg. Inv. Co. | | 154,502 |
| | Schwab Instl Large Cap Value | Com. Coll. Tr. | | 498,900 |
| | Schwab Stable Value Fund | Com. Coll. Tr. | | 1,770,927 |
| | Participant Loan Fund (Various Rates of Return) | Loan | | 204,644 |