

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2010</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>KAY MANUFACTURING CO. PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1979</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1979</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1979</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>KAY MANUFACTURING CO.</u> <u>602 STATE STREET</u> <u>CALUMET CITY, IL 60409</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>36-2643474</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>708-862-6800</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>36-2643474</u>	2c Sponsor's telephone number <u>708-862-6800</u>	2d Business code (see instructions) <u>332900</u>	
2b Employer Identification Number (EIN) <u>36-2643474</u>					
2c Sponsor's telephone number <u>708-862-6800</u>					
2d Business code (see instructions) <u>332900</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/13/2011	SCOTT DEKKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

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

KAY MANUFACTURING CO.

602 STATE STREET
CALUMET CITY, IL 60409**3b** Administrator's EIN

36-2643474

3c Administrator's telephone number

708-862-6800

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**

131

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**

37

b Retired or separated participants receiving benefits.....**6b**

0

c Other retired or separated participants entitled to future benefits.....**6c**

90

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

127

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

f Total. Add lines **6d** and **6e**.....**6f**

127

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

0

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

0

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:

1A 1G 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) ☒

Trust

(4) ☐

General assets of the sponsor

9b Plan benefit arrangement (check all that apply)(1) ☐

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

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) ☐

0

A (Insurance Information)(4) ☒**C** (Service Provider Information)(5) ☐**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

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

A Name of plan <u>KAY MANUFACTURING CO. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KAY MANUFACTURING CO.</u>	D Employer Identification Number (EIN) <u>36-2643474</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>2073817</u>
b Actuarial value	2b <u>2073817</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>49319</u>
b For terminated vested participants	3b <u>88</u> <u>1169367</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>42682</u>
(2) Vested benefits	3c(2) <u>1299993</u>
(3) Total active	3c(3) <u>37</u> <u>1342675</u>
d Total	3d <u>126</u> <u>2561361</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.33</u> %
6 Target normal cost	6 <u>0</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>08/26/2011</u>
Signature of actuary	Date
<u>ROBERT P. MARKS</u>	<u>11-03346</u>
Type or print name of actuary	Most recent enrollment number
<u>MADISON PENSION SERVICES, INC.</u>	<u>914-251-0099</u>
Firm name	Telephone number (including area code)
<u>2500 WESTCHESTER AVE SUITE 106</u> <u>PURCHASE, NY 10577</u>	
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 ☐

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

Schedule SB (Form 5500) 2010
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	5538
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	5538
10	Interest on item 9 using prior year's actual return of <u>13.61</u> %	0	754
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		31536
b	Interest on (a) using prior year's effective rate of <u>8.28</u> %		2611
c	Total available at beginning of current plan year to add to prefunding balance		34147
d	Portion of (c) to be added to prefunding balance.....		34147
12	Reduction in balances due to elections or deemed elections.....	0	15712
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	24727

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
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	88.12 %
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
04/15/2010	10255	0			
07/15/2010	10255	0			
10/11/2010	10255	0			
01/14/2011	10255	0			
03/30/2011	38980	0			
			Totals ▶	18(b)	80000
				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 75523
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
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
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	0
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	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	409818	75316
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	75316
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	75316
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	75523
38 Interest-adjusted excess contributions for current year (see instructions).....	38	207
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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A Name of plan</div> <div>KAY MANUFACTURING CO. PENSION PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>KAY MANUFACTURING CO.</div>	<div>D Employer Identification Number (EIN)</div> <div>36-2643474</div>

Part I

Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

O'NEILL AND GASPARDO LLC

9697 WEST 191 STREET
SUITE 201
MOKENA, IL 60448

36-2646009

(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		11000	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BROWN BROTHERS HARRIMAN

140 BROADWAY
NEW YORK, NY 10005

13-4973745

(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		11170	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) 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 KAY MANUFACTURING CO. PENSION PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 KAY MANUFACTURING CO.	D Employer Identification Number (EIN) 36-2643474

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	57113	49235
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	196502	72285
(2) U.S. Government securities.....	1c(2)	1722	1567
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	1051243	1183303
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	769464	863701
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	2076044	2170091

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2076044	2170091
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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)	80000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		80000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2118	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	41	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2159
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	37922	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		37922
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	208329	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	186736	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		21593

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	147106	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		147106
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		37100
d Total income. Add all income amounts in column (b) and enter total.....	2d		325880

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	199130	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		199130
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	32703	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		32703
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		231833

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		94047
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: O'NEILL & GASPARD, LLC

(2) EIN: 36-2646009

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		200000
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	0
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	0
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	0
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	0
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: 0

- 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)

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

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan KAY MANUFACTURING CO. PENSION PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 KAY MANUFACTURING CO.		D Employer Identification Number (EIN) 36-2643474
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): 36-3066209		
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 3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
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 0
b Enter the amount contributed by the employer to the plan for this plan year		6b 0
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 0
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☒ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☒ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

a The current year	14a	0
b The plan year immediately preceding the current plan year	14b	0
c The second preceding plan year	14c	0

- 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	0
b The corresponding number for the second preceding plan year	15b	0

- 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	0
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	0

- 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):

**KAY MANUFACTURING COMPANY
PENSION PLAN**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
 <u>FINANCIAL STATEMENTS</u>	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Statement of Accumulated Plan Benefits	4
Statement of Changes in Accumulated Plan Benefits	5
Notes to Financial Statements	6 - 13
 <u>SUPPLEMENTAL INFORMATION</u>	
Schedule of Assets Held at End of Year	14 - 15

August 29, 2011

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
KAY MANUFACTURING COMPANY PENSION PLAN

We have audited the accompanying statements of net assets available for benefits of **KAY MANUFACTURING COMPANY PENSION PLAN** as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of January 1, 2010 and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by the administrator, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of **KAY MANUFACTURING COMPANY PENSION PLAN** as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion of the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Investments, at Fair Value:		
Interest-Bearing Cash	\$ 65,641	\$ 193,701
Non-Interest-Bearing Cash	6,644	2,801
Common Stocks	1,183,303	1,051,243
Mutual Funds	863,701	769,464
U.S. Government Securities	1,567	1,722
Total Investments	<u>2,120,856</u>	<u>2,018,931</u>
 Employer Contributions Receivable	 <u>49,235</u>	 <u>57,113</u>
 TOTAL ASSETS	 2,170,091	 2,076,044
 <u>LIABILITIES</u>		
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 2,170,091</u>	 <u>\$ 2,076,044</u>

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Additions to Net Assets:		
Investment Income:		
Net Appreciation in Fair Value of Investments	\$ 168,699	\$ 239,641
Net Life Insurance Gain	37,100	-
Interest	2,118	1,097
Dividends	37,922	36,039
Other Income	41	4,693
Total Investment Income	<u>245,880</u>	<u>281,470</u>
Employer Contributions	<u>80,000</u>	<u>80,000</u>
Total Additions	325,880	361,470
Deductions from Net Assets:		
Benefits Paid to Participants	199,130	499,479
Administrative and Other Expenses	<u>32,703</u>	<u>28,577</u>
Total Deductions	<u>231,833</u>	<u>528,056</u>
Net Increase (Decrease) in Net Assets	94,047	(166,586)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	<u>2,076,044</u>	<u>2,242,630</u>
End of Year	<u>\$ 2,170,091</u>	<u>\$ 2,076,044</u>

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2010

Actuarial Present Value of Accumulated Plan Benefits:

Vested Benefits	\$ 3,052,932
Nonvested Benefits	<u>22,406</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 3,075,338</u>

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
YEAR ENDED JANUARY 1, 2010

Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	\$ 3,309,361
Increase (Decrease) During the Year Attributable to:	
Increase in Interest Due to the Decrease in the Discount Period	170,519
Benefits Paid to Participants	(499,479)
Change in Actuarial Assumptions	<u>94,937</u>
Net Decrease	<u>(234,023)</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u><u>\$ 3,075,338</u></u>

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1. DESCRIPTION OF THE PLAN

The following description provides only general information on the provisions of **KAY MANUFACTURING COMPANY PENSION PLAN** (the "Plan"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory, defined benefit pension plan established by **Kay Manufacturing Company** (the "Company") on January 1, 1979 for all of the company's eligible employees, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Eligibility and Participation

All nonunion employees of the Company who have attained age 21 and completed one year of service are eligible to participate in the Plan. If the eligibility requirements are met in the first six months of the plan year, the employee shall become a participant effective at the beginning of that plan year. If the eligibility requirements are met in the last six months of the plan year, the employee will become a participant effective as of the first day of the succeeding plan year.

On May 19, 2007, the Plan was amended and restated to freeze the participation in the Plan and to freeze any future benefit accruals.

Funding Policy

The Plan is funded annually by the Company based on actuarial determinations. These contributions are at least equal to the minimum funding standards required by ERISA. The Plan met its minimum funding requirements in 2010.

Pension Benefits

Employees with five or more years of participation in the Plan are entitled to annual pension benefits beginning at the normal retirement age (65). A participant's normal retirement benefit is the sum of the frozen accrued benefit as of December 31, 1993, plus 0.65% for each year of service after December 31, 1993 multiplied by the participant's average monthly compensation in excess of covered compensation (a 35-year average of the Social Security wage bases as defined by the agreement). A participant's years of service may not exceed 35 years. A participant's accrued benefit as of December 31, 1993 was equal to 22.75% of average monthly compensation plus 22.75% of average monthly compensation in excess of covered compensation. The Plan also contains provisions for early retirement at age 62.

Married participants will receive their benefit in the form of a joint and survivor annuity, and single participants will receive their pension benefit in the form of a single-life annuity unless another form of payment is elected.

KAY MANUFACTURING COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1. DESCRIPTION OF THE PLAN - Continued

Death and Disability Benefits

Upon death prior to retirement date, the participant's beneficiary shall receive a death benefit equal to the actuarial equivalent of the accrued benefit determined as of the anniversary date subsequent to or coinciding with the date of death.

Active employees who become totally disabled receive annual disability payments that are equal to the normal retirement benefits they have accumulated as of the time they became disabled.

Vesting

A participant's accrued benefit is valued annually, and the participant is vested according to the following schedule:

<u>Years of Service</u>	<u>Percentage</u>
Less than 3	0%
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

Participants also become fully vested upon plan termination, reaching their normal retirement age or upon date of death or disability.

Administrative Expenses

Certain expenses incurred in the administration of the Plan are paid directly by the Company.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's investments are valued by Brown Brothers Harriman (BBH), the custodian, based on quoted market prices. 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.

KAY MANUFACTURING COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries. Benefits under the Plan are based on an employee's highest consecutive five-year average of compensation. Benefits payable under all circumstances - retirement, death, disability and termination of employment are included to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Madison Pension Services, Inc. and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants 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 valuations as of January 1, 2010 were (a) life expectancy of participants based on the 2010 applicable mortality table; (b) an assumed retirement age of 65 with the completion of five years of participation; and (c) an assumed rate of return on investments of 3.13% to 5.50% (a rate of 5.24 to 5.69% was used for the year ended January 1, 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.

Payments of Benefits

Benefits are recorded when paid.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates.

KAY MANUFACTURING COMPANY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 3. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying Statement of Net Assets Available for Benefits.

		Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>December 31, 2010</u>	<u>Fair Value</u>	
Interest-Bearing Cash	\$ 65,641	\$ 65,641
Common Stock:		
Consumer	434,055	434,055
Energy	116,720	116,720
Financial	266,490	266,490
Health Care	155,137	155,137
Industrial	111,147	111,147
Information Technology	99,754	99,754
Total Common Stock	1,183,303	1,183,303
Mutual Funds:		
Fixed Income	717,544	717,544
International	146,157	146,157
Total Mutual Funds	863,701	863,701
U.S. Government Securities	1,567	1,567
Total	<u>\$ 2,114,212</u>	<u>\$ 2,114,212</u>
<u>December 31, 2009</u>		
Interest-Bearing Cash	\$ 193,701	\$ 193,701
Common Stock:		
Consumer	391,718	391,718
Energy	99,375	99,375
Financial	168,968	168,968
Health Care	110,470	110,470
Industrial	120,968	120,968
Information Technology	159,744	159,744
Total Common Stock	1,051,243	1,051,243
Mutual Funds:		
Fixed Income	630,246	630,246
International	139,218	139,218
Total Mutual Funds	769,464	769,464
U.S. Government Securities	1,722	1,722
Total	<u>\$ 2,016,130</u>	<u>\$ 2,016,130</u>

KAY MANUFACTURING COMPANY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 3. FAIR VALUE MEASUREMENTS - Continued

VALUATION OF INVESTMENTS - 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 assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

NOTE 4. INVESTMENTS

The following table presents the fair values of investments. Investments that represent 5% or more of the Plan's net assets as of year end are identified separately.

	<u>2010</u>	<u>2009</u>
Interest-Bearing Cash	\$ 65,641	\$ 193,701
Non-Interest-Bearing Cash	6,644	2,801
Common Stocks	1,183,303	1,051,243
Mutual Funds:		
BBH Broad Market Fixed Income Fund - 68,928 shares	717,544	630,246
BBH International Equity Fund - 11,191 shares	146,157	139,218
Total Mutual Funds	<u>863,701</u>	<u>769,464</u>
U.S. Government Securities	<u>1,567</u>	<u>1,722</u>
Total	<u><u>\$ 2,120,856</u></u>	<u><u>\$ 2,018,931</u></u>

KAY MANUFACTURING COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 4. INVESTMENTS - Continued

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 (depreciated) in value as follows:

	<u>2010</u>	<u>2009</u>
Common Stocks	\$ 149,473	\$ 192,459
Mutual Funds	19,236	47,098
U.S. Government Securities	<u>(10)</u>	<u>84</u>
Total	<u>\$ 168,699</u>	<u>\$ 239,641</u>

NOTE 5. PARTY-IN-INTEREST TRANSACTIONS

The Plan has given discretionary authority to BBH to manage its investment assets. BBH is also the custodian of the Plan and, therefore, qualifies as a party-in-interest. Fees paid to BBH during 2010 and 2009 totaled \$11,170 and \$7,822, respectively.

NOTE 6. PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will generally be allocated, as prescribed by ERISA and its related regulations, to provide the following benefits in the order indicated:

1. Benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
2. Costs for former employees or their beneficiaries who have been receiving benefits or who have been eligible to receive normal retirement benefits for less than three years.
3. Costs for former employees or their beneficiaries who were eligible to receive early retirement benefits as of the date of Plan termination.
4. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed elsewhere.
5. All other vested benefits (that is, vested benefits not insured by the PBGC).
6. All nonvested benefits.

KAY MANUFACTURING COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6. PLAN TERMINATION - Continued

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits and certain disability and survivor's benefits. However, the amount of benefit protection from the PBGC is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For some annuitants, or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits, should the Plan terminate at some future time, 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 the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 7. INCOME TAX STATUS

The Plan obtained its latest determination letter on July 29, 2003, 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 (IRC). The Plan administrator and the Plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted recently issued accounting principles related to uncertain tax positions and has evaluated its tax positions taken from all open tax years. Currently, the 2007, 2008 and 2009 tax years are open and subject to examination by the Internal Revenue Service and Department of Labor. The Plan is currently under audit for the tax year 2008, however management believes there are no significant audit adjustments.

Based on evaluation of the Plan's tax positions, the plan administrator believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2010 and 2009.

NOTE 8. RISKS AND UNCERTAINTIES

As of December 31, 2010 and 2009, cash in the amount of \$5,549 and \$134,385, respectively, were held by BBH, which is a private bank subject to state regulation but not covered by Federal Deposit Insurance Corporation (FDIC) deposit insurance. However, since BBH is a member of the Securities Investor Protection Corporation (SIPC), \$100,000 of the Plan's cash and \$500,000 of the Plan's total assets held at BBH are covered by SIPC insurance.

KAY MANUFACTURING COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 8. RISKS AND UNCERTAINTIES - Continued

Substantially all of the Plan's remaining cash and cash equivalents are held in bank deposit and money market accounts. There were no amounts in excess of the FDIC limits at December 31, 2010 and 2009. The Plan has not experienced any losses in its cash and cash equivalents, and the Plan's administrator believes that the Plan is not exposed to any significant credit risk on cash and cash equivalents.

The Plan's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and materially affect the amounts reported in the financial statements.

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

NOTE 9. SCHEDULES REQUIRED BY DEPARTMENT OF LABOR FOR FORM 5500

The Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible has been excluded from the supplemental information. For the years ended December 31, 2010 and 2009, the Plan did not have any loans or fixed income obligations that were in default or classified as uncollectible. The Plan did not have any transactions that were required to be disclosed on the Schedule of Reportable Transactions.

NOTE 10. SUBSEQUENT EVENTS

The Plan has evaluated events subsequent to December 31, 2010 for possible adjustment or disclosure to the accompanying financial statements. The evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

KAY MANUFACTURING COMPANY PENSION PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2010
E.I.N. 36-2643474 PLAN NUMBER 001

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	Cost of Asset	Current Value
Interest-Bearing Cash	0.01% - 0.60%	\$ 65,641	\$ 65,641
Non-Interest-Bearing Cash	0.00%	6,644	6,644
<u>Common Stocks</u>			
Comcast Corp. - CL A	2,550 shares	65,779	56,023
Liberty Global Inc. Com Ser A	800 shares	17,256	28,304
Liberty Median Hldg Corp.	2,300 shares	42,500	36,271
Coca Cola Co.	500 shares	24,224	32,885
Costco Wholesale Corp.	600 shares	28,072	43,326
Diageo PLC	650 shares	38,210	48,315
Nestle S A	1,175 shares	30,836	69,114
Pepsico Inc.	325 shares	17,924	21,232
Walgreen Co.	1,250 shares	38,408	48,700
Walmart Stores Inc.	925 shares	42,929	49,885
EOG Resources Inc.	400 shares	37,412	36,564
Occidental Petroleum	550 shares	16,227	53,955
Southwestern Energy Co.	700 shares	25,732	26,201
Berkshire Hathaway Inc. CL B	1,050 shares	61,514	84,116
Chubb Corp.	900 shares	45,609	53,676
Progressive Corp. Ohio	1,950 shares	30,208	38,747
US Bancorp	1,900 shares	43,563	51,243
Visa Inc.	550 shares	40,886	38,709
Baxter International	850 shares	40,245	43,027
Dentsply Intl Inc.	1,000 shares	27,565	34,170
Johnson and Johnson	450 shares	28,066	27,832
Novartis AG	850 shares	45,835	50,107
Grainger, W W Inc.	200 shares	14,899	27,622
Waste Management Inc.	1,650 shares	50,395	60,835
Automatic Data Processing Inc.	600 shares	23,987	27,768
Dell Inc.	2,125 shares	54,277	28,794
Ebay Inc.	800 shares	10,134	23,656
Microsoft Corp.	700 shares	16,740	19,537
Ecolab Inc.	450 shares	18,059	22,689
Total Common Stocks		977,491	1,183,303
<u>Mutual Funds</u>			
* BBH Broad Market Fixed Income Fund	68,928 shares	698,385	717,544
* BBH International Equity Fund	11,191 shares	171,935	146,157
Total Mutual Funds		870,320	863,701

See accompanying auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2010
E.I.N. 36-2643474 PLAN NUMBER 001

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	Cost of Asset	Current Value
U.S. Government Securities GNMA Pool #196315	8.5%, 1,365 shares, due 12/15/18	<u>1,354</u>	<u>1,567</u>
TOTAL ASSETS HELD AT END OF YEAR		<u>\$ 1,921,450</u>	<u>\$ 2,120,856</u>

See accompanying auditors' report.

**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

2010**This Form is Open to Public
Inspection**For calendar plan year 2010 or fiscal plan year beginning 1/1/2010 and ending 12/31/2010▶ **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 KAY MANUFACTURING CO. PENSION PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAY MANUFACTURING CO.		D Employer Identification Number (EIN) 362643474
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: <u>1/1/2010</u>																									
2 Assets:																									
a Market value	2a 2073817																								
b Actuarial value	2b 2073817																								
3 Funding target/participant count breakdown																									
<table border="1"><thead><tr><th></th><th>(1) Number of participants</th><th>(2) Funding Target</th></tr></thead><tbody><tr><td>a For retired participants and beneficiaries receiving payment</td><td>3a 1</td><td>49319</td></tr><tr><td>b For terminated vested participants</td><td>3b 88</td><td>1169367</td></tr><tr><td colspan="3">c For active participants:</td></tr><tr><td>(1) Non-vested benefits</td><td>3c(1)</td><td>42682</td></tr><tr><td>(2) Vested benefits</td><td>3c(2)</td><td>1299993</td></tr><tr><td>(3) Total active</td><td>3c(3) 37</td><td>1342675</td></tr><tr><td>d Total</td><td>3d 126</td><td>2561361</td></tr></tbody></table>			(1) Number of participants	(2) Funding Target	a For retired participants and beneficiaries receiving payment	3a 1	49319	b For terminated vested participants	3b 88	1169367	c For active participants:			(1) Non-vested benefits	3c(1)	42682	(2) Vested benefits	3c(2)	1299993	(3) Total active	3c(3) 37	1342675	d Total	3d 126	2561361
	(1) Number of participants	(2) Funding Target																							
a For retired participants and beneficiaries receiving payment	3a 1	49319																							
b For terminated vested participants	3b 88	1169367																							
c For active participants:																									
(1) Non-vested benefits	3c(1)	42682																							
(2) Vested benefits	3c(2)	1299993																							
(3) Total active	3c(3) 37	1342675																							
d Total	3d 126	2561361																							
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 6.33 %																								
6 Target normal cost	6 0																								

Statement by Enrolled Actuary

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

SIGN HERE 	<u>8/26/2011</u> Date
Signature of actuary	1103346 Most recent enrollment number
ROBERT P. MARKS	9142510099 Telephone number (including area code)
Type or print name of actuary	
MADISON PENSION SERVICES, INC.	
Firm name	
2500 WESTCHESTER AVE SUITE 106	
PURCHASE NY 10577	
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	5538
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	5538
10 Interest on item 9 using prior year's actual return of <u>13.61</u> %	0	754
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		31536
b Interest on (a) using prior year's effective rate of <u>8.28</u> %		2611
c Total available at beginning of current plan year to add to prefunding balance		34147
d Portion of (c) to be added to prefunding balance		34147
12 Reduction in balances due to elections or deemed elections	0	15712
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	24727

Part III Funding percentages		
14 Funding target attainment percentage	14	80 %
15 Adjusted funding target attainment percentage	15	80 %
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	88.12 %
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
4/15/2010	10255	0			
7/15/2010	10255	0			
10/11/2010	10255	0			
1/14/2011	10255	0			
3/30/2011	38980	0			

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

Totals ▶	18(b)	80000	18(c)	0
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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	75523

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
0	0	0	0

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

a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4

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	0
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	0
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	409818	75316
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 () and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	75316
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	75316
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	75523
38 Interest-adjusted excess contributions for current year (see instructions).....	38	207
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

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Summary of Plan Provisions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
ID: KAYDB10

Plan Effective Date	January 1, 1979
Plan Anniversary Date	January 1, 2010
Participation Eligibility	Minimum age: 21 and Minimum months of service: 12
Plan Entry Date	Plan anniversary nearest the satisfaction of the participation requirements
Normal Retirement Date	65th birthday and the completion of 5 years of participation
Normal Form of Benefit	Single Life Annuity (Qualified Joint and Survivor annuity is the required standard option)
Retirement Benefit Optional Forms	Lump Sum (single payment) 50% Monthly Joint and Contingent Annuity
Normal Retirement Benefit	Accrued Benefit at 12/31/93, plus 0.65% per year of service after 12/31/93 times comp, plus 0.65% per year of service after 12/31/93 times comp * * in excess of the integration level: Table I - Maximum \$97500 - Year: 2007 Maximum total years of service: 0 Maximum years of past service: 0 IRC415 maximum annual benefit: \$195,000 Actuarially adjusted under IRC415(b) for benefit commencement age and benefit form Benefit limited to 100% of compensation Minimum benefit: 2% of compensation per year of topheavy plan participation up to 10
Compensation Definition	Highest consecutive 5 year average salary over all service Annual salary up to \$245,000 considered
Pre-Retirement Death Benefit	Lump sum payable on death of participant Qualified pre-retirement survivor annuity is payable to the surviving spouse, unless waived with spousal consent.
Benefit Amount	100% present value of accrued benefit
Vested Retirement Benefit	Vesting Schedule: 20% a year after 3 years(100% after 7 years) Computation Period: Plan Years Based on periods of service rounded to nearest year
Accrued Retirement Benefit	Benefit Accruals Frozen as of 5/19/07 The accrued benefit is the total of the accrued benefit as of 12/31/1993 and the accruals under the current plan formula for years of service after 12/31/1993 to the benefit determination date

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Summary of Plan Provisions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
ID: KAYDB10

Early Retirement Benefit

Accrued retirement benefit

Eligibility requirements:

Eligibility: Minimum age: 62

Benefit Adjustment: The benefit is actuarially reduced for each year by which retirement age precedes normal retirement age, or if retirement is after normal retirement, the benefit is the greater of the in-service benefit as of the retirement date and the normal retirement benefit actuarially increased to the retirement date.

<p align="center">KAY MANUFACTURING CO. PENSION PLAN</p> <p align="center">Schedule SB, Part V - Statement of Actuarial Assumptions/Methods</p> <p align="center">Plan Name: KAY MANUFACTURING CO. PENSION PLAN</p>
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Normal Retirement Benefit

Actuarial Cost Method: PPA06 Funding Rules

Funding Yield Curve Segmented Rates

First Segment:	5.03%
Second Segment:	6.73%
Third Segment:	6.82%

PBGC Segmented Rates

First Segment:	2.35%
Second Segment:	5.65%
Third Segment:	6.45%

Pre-Retirement Valuation Assumptions

Mortality Table	2010 430(h)(3)(A)-Optional combined
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Retirement Valuation Assumptions

Mortality Table	2010 430(h)(3)(A)-Optional combined
	Mortality table applied on a static basis

IRC417(e)(3) Interest Assumption

Segment Rate	same as Funding Yield Curve Segmented Rates
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IRC417(e)(3) Pre-retirement Mortality

Mortality Table	2010 417(e)(3) Applicable Mortality Table
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IRC417(e)(3) Retirement Mortality

Mortality Table	2010 417(e)(3) Applicable Mortality Table
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Optional Forms Assumption

- 0% of participants will elect the Plan Normal Form
- 100% of participants will elect a Lump Sum (single payment)
- 0% of participants will elect a 50% Joint & Contingent annuity

Pre-Retirement Death Benefit

Liability funded on a reserve basis with Normal Retirement Benefit

Mortality Table	2010 430(h)(3)(A)-Optional combined
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Retirement Incidence

Participants are assumed to retire on the Normal Retirement Date

<p style="text-align: center;">KAY MANUFACTURING CO. PENSION PLAN Schedule SB, Part V - Statement of Actuarial Assumptions/Methods Plan Name: KAY MANUFACTURING CO. PENSION PLAN</p>

Pre-Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Assumptions for IRC415 Maximum Benefit Actuarial Adjustments

Investment Earnings	5% Effective annual rate
Mortality Table	2010 417(e)(3) Applicable Mortality Table

Retirement Protection Act of 1994 Interest Rate for non-life annuities

Investment Earnings	5.5% Effective annual rate
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KAY MANUFACTURING CO. PENSION PLAN

Schedule SB, line 25 - Change in Method

Plan Year: 1/1/10 – 12/31/10

Valuation as of 1/1/10

The results of the 1/1/10 actuarial valuation reflect a change in method, as follows:

- 1) The discount rates were changed from the full yield curve for the third month preceding the valuation date to the segment rates (without transitional) for the fourth month preceding the valuation date.

This change is intended to reflect a reasonable expectation based on past experience of the plan and currently represents a best estimate of anticipated experience under the plan.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 19 - Discounted Employer Contributions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Date	Amount	Plan Year	Effective Rate of Interest	Discounted Amount
04/15/2010	10255.00	2010	6.33%	10077.00
07/15/2010	10255.00	2010	6.33%	9924.00
10/11/2010	10255.00	2010	6.33%	9778.00
01/14/2011	10255.00	2010	6.33%	9623.00
03/30/2011	38980.00	2010	6.33%	36121.00
Total for Minimum Required Contribution	80000.00			75523.00

KAY MANUFACTURING CO. PENSION PLAN

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

Plan Name: KAY MANUFACTURING CO. PENSION PLAN

The weighted average retirement age of 65 is the average of the assumed retirement ages for all active participants as of the valuation date rounded to the nearest whole age. For an active late retiree, the assumed retirement age may be later than the Plan's normal retirement age. Each participant's rate of retirement is assumed to be 100% of his/her assumed retirement age.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 26 - Schedule of Active Participant Data
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
Plan Number: 000

Age	Years of Credited Service															
	< 1		1 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 - 34	
	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.
<25																
25-29																
30-34						5										
35-39			1			2		2		1						
40-44						1		5		1						
45-49						1		2		6		1				
50-54												2		1		
55-59								2		1						
60-64												1				
65-69																
70+																

Age is attained age as of the valuation date.

indicates the number of active participants in an age and service category.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 32 - Schedule of Amortization Bases
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Type of Base	Present Value	Date Established	Years Remaining	Amount of Installment
Shortfall Base	112,620	01/01/2008	5	24,787
Shortfall Base	23,744	01/01/2009	6	4,509
Shortfall Base	273,454	01/01/2010	7	46,020

KAY MANUFACTURING COMPANY PENSION PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2010
E.I.N. 36-2643474 PLAN NUMBER 001

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	Cost of Asset	Current Value
Interest-Bearing Cash	0.01% - 0.60%	\$ 65,641	\$ 65,641
Non-Interest-Bearing Cash	0.00%	6,644	6,644
<u>Common Stocks</u>			
Comcast Corp. - CL A	2,550 shares	65,779	56,023
Liberty Global Inc. Com Ser A	800 shares	17,256	28,304
Liberty Median Hldg Corp.	2,300 shares	42,500	36,271
Coca Cola Co.	500 shares	24,224	32,885
Costco Wholesale Corp.	600 shares	28,072	43,326
Diageo PLC	650 shares	38,210	48,315
Nestle S A	1,175 shares	30,836	69,114
Pepsico Inc.	325 shares	17,924	21,232
Walgreen Co.	1,250 shares	38,408	48,700
Walmart Stores Inc.	925 shares	42,929	49,885
EOG Resources Inc.	400 shares	37,412	36,564
Occidental Petroleum	550 shares	16,227	53,955
Southwestern Energy Co.	700 shares	25,732	26,201
Berkshire Hathaway Inc. CL B	1,050 shares	61,514	84,116
Chubb Corp.	900 shares	45,609	53,676
Progressive Corp. Ohio	1,950 shares	30,208	38,747
US Bancorp	1,900 shares	43,563	51,243
Visa Inc.	550 shares	40,886	38,709
Baxter International	850 shares	40,245	43,027
Dentsply Intl Inc.	1,000 shares	27,565	34,170
Johnson and Johnson	450 shares	28,066	27,832
Novartis AG	850 shares	45,835	50,107
Grainger, W W Inc.	200 shares	14,899	27,622
Waste Management Inc.	1,650 shares	50,395	60,835
Automatic Data Processing Inc.	600 shares	23,987	27,768
Dell Inc.	2,125 shares	54,277	28,794
Ebay Inc.	800 shares	10,134	23,656
Microsoft Corp.	700 shares	16,740	19,537
Ecolab Inc.	450 shares	18,059	22,689
Total Common Stocks		977,491	1,183,303
<u>Mutual Funds</u>			
* BBH Broad Market Fixed Income Fund	68,928 shares	698,385	717,544
* BBH International Equity Fund	11,191 shares	171,935	146,157
Total Mutual Funds		870,320	863,701

See accompanying auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2010
E.I.N. 36-2643474 PLAN NUMBER 001

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	Cost of Asset	Current Value
U.S. Government Securities GNMA Pool #196315	8.5%, 1,365 shares, due 12/15/18	<u>1,354</u>	<u>1,567</u>
TOTAL ASSETS HELD AT END OF YEAR		<u>\$ 1,921,450</u>	<u>\$ 2,120,856</u>

See accompanying auditors' report.