

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold;">2010</div> This Form is Open to Public Inspection
---	---	---

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:	☒ single-employer plan ☐ multiple-employer plan (not multiemployer) ☐ one-participant plan
B This return/report is for:	☐ first return/report ☐ final return/report ☐ an amended return/report ☐ short plan year return/report (less than 12 months)
C Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan <u>SERVICE CHAMPIONS, INC. DEFINED BENEFIT PENSION PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">1b Three-digit plan number (PN) ►</td> <td style="width:40%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2005</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>002</u>	1c Effective date of plan <u>01/01/2005</u>			
1b Three-digit plan number (PN) ►	<u>002</u>						
1c Effective date of plan <u>01/01/2005</u>							
2a Plan sponsor's name and address (employer, if for single-employer plan) <u>SERVICE CHAMPIONS, INC.</u> <u>22911 SAVI RANCH PKWY</u> <u>YORBA LINDA, CA 92887-4640</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">2b Employer Identification Number (EIN) <u>33-0896958</u></td> <td style="width:40%;"></td> </tr> <tr> <td>2c Plan sponsor's telephone number <u>949-777-7777</u></td> <td></td> </tr> <tr> <td>2d Business code (see instructions) <u>811410</u></td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) <u>33-0896958</u>		2c Plan sponsor's telephone number <u>949-777-7777</u>		2d Business code (see instructions) <u>811410</u>	
2b Employer Identification Number (EIN) <u>33-0896958</u>							
2c Plan sponsor's telephone number <u>949-777-7777</u>							
2d Business code (see instructions) <u>811410</u>							
3a Plan administrator's name and address (if same as Plan sponsor, enter "Same") <u>SERVICE CHAMPIONS, INC.</u> <u>22911 SAVI RANCH PKWY</u> <u>YORBA LINDA, CA 92887-4640</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">3b Administrator's EIN <u>33-0896958</u></td> <td style="width:40%;"></td> </tr> <tr> <td>3c Administrator's telephone number <u>949-777-7777</u></td> <td></td> </tr> </table>	3b Administrator's EIN <u>33-0896958</u>		3c Administrator's telephone number <u>949-777-7777</u>			
3b Administrator's EIN <u>33-0896958</u>							
3c Administrator's telephone number <u>949-777-7777</u>							
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. Sponsor's name	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">4b EIN</td> <td style="width:40%;"></td> </tr> <tr> <td>4c PN</td> <td></td> </tr> </table>	4b EIN		4c PN			
4b EIN							
4c PN							
5a Total number of participants at the beginning of the plan year	5a <u>27</u>						
b Total number of participants at the end of the plan year	5b <u>24</u>						
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c						
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	☒ Yes ☐ No						
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)	☒ Yes ☐ No						
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.							

Part III	Financial Information																																		
7 Plan Assets and Liabilities																																			
a Total plan assets	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;"></th> <th style="width:40%;">(a) Beginning of Year</th> <th style="width:50%;">(b) End of Year</th> </tr> <tr> <td>7a</td> <td style="text-align: right;"><u>1303006</u></td> <td style="text-align: right;"><u>1458111</u></td> </tr> <tr> <td>7b Total plan liabilities</td> <td style="text-align: right;"><u>0</u></td> <td style="text-align: right;"><u>0</u></td> </tr> <tr> <td>7c Net plan assets (subtract line 7b from line 7a)</td> <td style="text-align: right;"><u>1303006</u></td> <td style="text-align: right;"><u>1458111</u></td> </tr> </table>		(a) Beginning of Year	(b) End of Year	7a	<u>1303006</u>	<u>1458111</u>	7b Total plan liabilities	<u>0</u>	<u>0</u>	7c Net plan assets (subtract line 7b from line 7a)	<u>1303006</u>	<u>1458111</u>																						
	(a) Beginning of Year	(b) End of Year																																	
7a	<u>1303006</u>	<u>1458111</u>																																	
7b Total plan liabilities	<u>0</u>	<u>0</u>																																	
7c Net plan assets (subtract line 7b from line 7a)	<u>1303006</u>	<u>1458111</u>																																	
8 Income, Expenses, and Transfers for this Plan Year																																			
a Contributions received or receivable from:	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;"></th> <th style="width:40%;">(a) Amount</th> <th style="width:50%;">(b) Total</th> </tr> <tr> <td>(1) Employers</td> <td style="text-align: right;"><u>25000</u></td> <td rowspan="3"></td> </tr> <tr> <td>(2) Participants</td> <td></td> </tr> <tr> <td>(3) Others (including rollovers)</td> <td></td> </tr> <tr> <td>b Other income (loss)</td> <td style="text-align: right;"><u>130105</u></td> <td></td> </tr> <tr> <td>c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)</td> <td style="text-align: right;"><u>155105</u></td> <td></td> </tr> <tr> <td>d Benefits paid (including direct rollovers and insurance premiums to provide benefits)</td> <td></td> <td rowspan="4"></td> </tr> <tr> <td>e Certain deemed and/or corrective distributions (see instructions)</td> <td></td> </tr> <tr> <td>f Administrative service providers (salaries, fees, commissions)</td> <td></td> </tr> <tr> <td>g Other expenses</td> <td></td> </tr> <tr> <td>h Total expenses (add lines 8d, 8e, 8f, and 8g)</td> <td style="text-align: right;"><u>0</u></td> <td></td> </tr> <tr> <td>i Net income (loss) (subtract line 8h from line 8c)</td> <td style="text-align: right;"><u>155105</u></td> <td></td> </tr> <tr> <td>j Transfers to (from) the plan (see instructions)</td> <td style="text-align: right;"><u>0</u></td> <td></td> </tr> </table>		(a) Amount	(b) Total	(1) Employers	<u>25000</u>		(2) Participants		(3) Others (including rollovers)		b Other income (loss)	<u>130105</u>		c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	<u>155105</u>		d Benefits paid (including direct rollovers and insurance premiums to provide benefits)			e Certain deemed and/or corrective distributions (see instructions)		f Administrative service providers (salaries, fees, commissions)		g Other expenses		h Total expenses (add lines 8d, 8e, 8f, and 8g)	<u>0</u>		i Net income (loss) (subtract line 8h from line 8c)	<u>155105</u>		j Transfers to (from) the plan (see instructions)	<u>0</u>	
	(a) Amount	(b) Total																																	
(1) Employers	<u>25000</u>																																		
(2) Participants																																			
(3) Others (including rollovers)																																			
b Other income (loss)	<u>130105</u>																																		
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	<u>155105</u>																																		
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)																																			
e Certain deemed and/or corrective distributions (see instructions)																																			
f Administrative service providers (salaries, fees, commissions)																																			
g Other expenses																																			
h Total expenses (add lines 8d, 8e, 8f, and 8g)	<u>0</u>																																		
i Net income (loss) (subtract line 8h from line 8c)	<u>155105</u>																																		
j Transfers to (from) the plan (see instructions)	<u>0</u>																																		

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1D 1G

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

	Yes	No	Amount
10 During the plan year:			
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c Was the plan covered by a fidelity bond?	X		80000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f Has the plan failed to provide any benefit when due under the plan?		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500))..... ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year.....	12b	
c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a** _____

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	09/23/2011	LELAND SMITH
	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

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
--	--	---

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>SERVICE CHAMPIONS, INC. DEFINED BENEFIT 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>SERVICE CHAMPIONS, INC.</u>	D Employer Identification Number (EIN) <u>33-0896958</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>1289802</u>
b Actuarial value	2b <u>1289802</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>0</u> <u>0</u>
b For terminated vested participants	3b <u>0</u> <u>0</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>0</u>
(2) Vested benefits	3c(2) <u>1437622</u>
(3) Total active	3c(3) <u>27</u> <u>1437622</u>
d Total	3d <u>27</u> <u>1437622</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>5.83</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>08/30/2011</u>
Signature of actuary	Date
<u>JAY S. LORENTSON, M.S.P.A.</u>	<u>11-04259</u>
Type or print name of actuary	Most recent enrollment number
<u>BENEFIT PLANNING, INC.</u>	<u>310-577-1444</u>
Firm name	Telephone number (including area code)
<u>4640 ADMIRALTY WAY, 9TH FLOOR</u> <u>MARINA DEL REY, CA 90292</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	55621
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	55574
9	Amount remaining (Item 7 minus item 8).....	0	47
10	Interest on item 9 using prior year's actual return of <u>35.40</u> %	0	17
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.40</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	64

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	89.71 %
15	Adjusted funding target attainment percentage.....	15	89.71 %
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	70.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/29/2011	25000	0			
Totals ►			18(b)	25000	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 22197
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 60
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	90379	19828
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	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	19828
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35).....	36	19828
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	22197
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2369
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

SERVICE CHAMPIONS, INC.**DEFINED BENEFIT PENSION PLAN**

Schedule of Active Participant Data

Plan Year: 1/1/2010 to 12/31/2010

Valuation Date: 1/1/2010

Age/ Svc	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Total
0	0	0	0	0	1	0	0	0	0	0	0	1
1-4	1	7	8	1	0	0	0	1	1	0	0	19
5-9	0	0	3	0	1	2	0	1	0	0	0	7
10-14	0	0	0	0	0	0	0	0	0	0	0	0
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	7	11	1	2	2	0	2	1	0	0	27

*Employees who have not met the minimum eligibility requirements are excluded

Average Age: 34.7

Average Service: 2

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2010 to 12/31/2010

Valuation Date: 1/1/2010

	<u>For PPA Funding</u>	<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
Interest Rates	Segment 1 4.60%	Segment 1 3.21%	Pre-Retirement 5.50%
	Segment 2 6.65%	Segment 2 5.19%	Post-Retirement 5.50%
	Segment 3 6.76%	Segment 3 5.67%	
Pre-Retirement			
Turnover	None	None	None
Mortality	None	None	None
Assumed Ret Age	Normal retirement age 60	Normal retirement age 60	Normal retirement age 60
Post-Retirement			
Mortality	2010 417(e) APPLICABLE MORTALITY TABLE	2010 417(e) APPLICABLE MORTALITY TABLE	1994 GROUP ANNUITY RESERVING TABLE, PROJECTED TO THE YEAR 2002
Assumed Benefit Form For Funding		Lump Sum	
Calculated Effective Interest Rate		5.83%	

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2010</u> and ending <u>12/31/2010</u>		

▶ **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 SERVICE CHAMPIONS, INC. DEFINED BENEFIT 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 SERVICE CHAMPIONS, INC.	D Employer Identification Number (EIN) 33-0896958	
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	1289802	
b Actuarial value	2b	1289802	
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	0	0
b For terminated vested participants	3b	0	0
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		1437622
(3) Total active	3c(3)	27	1437622
d Total	3d	27	1437622
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	5.83%
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	 Signature of actuary JAY S. LORENTSON, M.S.P.A. Type or print name of actuary BENEFIT PLANNING, INC. Firm name 4640 ADMIRALTY WAY, 9TH FLOOR MARINA DEL REY CA 90292 Address of the firm	August 30, 2011 Date 1104259 Most recent enrollment number 310-577-1444 Telephone number (including area code)
------------------	---	---

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	55621
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	55574
9 Amount remaining (Item 7 minus item 8)	0	47
10 Interest on item 9 using prior year's actual return of <u>35.40%</u>	0	17
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.40%</u>		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	64

Part III Funding percentages

14 Funding target attainment percentage	14	89.71%
15 Adjusted funding target attainment percentage	15	89.71%
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	70.00%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/29/2011	25000	0			
Totals ►			18(b)	25000	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	22197

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of Quarter of this plan year

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

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
4.60%2nd segment:
6.65%3rd segment:
6.76%☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

60

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

90379

19828

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**

0

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)**34**

19828

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

0

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

19828

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

22197

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

2369

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

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2010 to 12/31/2010

Plan Effective Date January 1, 2005

Plan Year From January 1 to December 31

Eligibility All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:

1 year of service
Minimum age 21

Exclusion by name. Effective 1/1/2010 benefit accruals shall cease. There shall be no additional entry dates into the plan.

Normal Retirement Age All participants are eligible to retire with their full retirement benefit on attainment of age 60.

Normal Retirement Benefit Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:

Maximum benefit is \$14,006 per month
Maximum percent of salary is 100%

Benefit is based on average salary during the highest 3 consecutive years of employment

Normal Form of Benefit A benefit payable for the life of the participant

Accrued Benefit The normal retirement benefit described above calculated based on the salary and/or service to the date of calculation, but payable at normal retirement.

Termination Benefit Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Credited Years	Vested Percent
1	0
2	20
3	40
4	60
5	80
6	100

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years with less than 1,000 hours

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2010 to 12/31/2010

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently not top-heavy.

Death Benefit

Actuarial Equivalent of the accrued benefit earned to date of death

Early Retirement

Equal to actuarial equivalent of accrued benefit

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

EIN: 33-0896958 PN: 002

2010 Schedule SB Attachment
Optional Forms of Benefit

The plan's normal form of payment is a Life Only annuity, payable for the life of the participant.

For married participants, the actuarial equivalence of this benefit will be paid in the form of a Joint and 50% Survivor annuity unless the participant elects a different form of payment and the spouse consents in writing. This benefit is payable for the life of the participant, with 50% payable to the surviving spouse for his/her lifetime. Payments cease on the death of the participant and spouse.

The following forms of payment are also available:

Life With 5 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 5 full years, payments will continue to his/her surviving beneficiary for the remainder of the 5-year period and then stop.
Life With 10 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 10 full years, payments will continue to his/her surviving beneficiary for the remainder of the 10-year period and then stop.
Life With 15 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 15 full years, payments will continue to his/her surviving beneficiary for the remainder of the 15-year period and then stop.
Life With 20 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 20 full years, payments will continue to his/her surviving beneficiary for the remainder of the 20-year period and then stop.
Joint and 100% Survivor	Payable for the life of the participant and his/her beneficiary. Payments cease on the death of both.
Joint and 75% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 75% of the benefit will continue for the life of the beneficiary.
Joint and 66.67% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 66.67% of the benefit will continue for the life of the beneficiary.
Joint and 50% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 50% of the benefit will continue for the life of the beneficiary.
Installments	Periodic payments for a time period selected by the participant. If the participant dies before the end of the selected time period, payments will continue to his/her surviving beneficiary. All payments cease at the end of the selected time period. This is not a lifetime payment option.
Single Lump Sum	This is a one-time payment of the lump sum equivalent of the plan's normal form of benefit.

Attachment to 2010 Schedule SB, Line 32
Schedule of Amortization Bases

Plan Name: Service Champions, Inc.
Defined Benefit Pension Plan

EIN: 33-0896958
PN: 002
Plan Year End: 12/31/2010
Valuation Date: 1/1/2010

Prior Year Amounts

<u>Year</u>	<u>Installment</u>	<u>Number of Future Installments</u>	<u>Value of Future Installments</u>
One Year Prior	41,590	6	220,590
Two Years Prior	-	5	-
Three Years Prior	-	4	-
Four Years Prior	-	3	-
Five Years Prior	-	2	-
Six Years Prior	-	1	-

Current Year Calculation

Adjusted Funding Shortfall	\$ 90,379
Value of Future Installments on Prior year Bases	\$ 220,590
Current Year Shortfall Amortization Base	\$ (130,211)

Shortfall Amortization Base is established this year.

Current Year Shortfall 7 Year Amortization

Factor	5.983
Installment	\$ (21,762)
Total of All Shortfall Amortization Installments (not less than 0)	\$ 19,828

Attachment to 2010 Schedule SB, Line 19
Discounted Employer Contributions

EIN:	33-0896958
PN:	002
Plan Year End:	12/31/2010
Valuation Date:	1/1/2010

Effective Interest Rate:	5.83%	Increased Rate for Late Quarterly Deposits:	10.83%
Actual Return on Assets:	12.00%	Required Quarterly Installments:	4,461

Contributions and Balances for Plan Year Ending 12/31/2010

	Allocated Toward Prior Unpaid Minimum Required				Made to Avoid Benefit Restrictions		Allocated Toward Current Plan Year		
Contribution or Election Dates	Amount Paid By Employer(s)	Plan Year	Eff Int Rate	Discounted Value	Amount Paid By Employer(s)	Discounted Value	Source	Amount Contributed or Elected	Discounted Value
7/29/2011				0		0	Contribution	25,000	22,197
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		-	-
				0		0		25,000	22,197

Subtotal by Type of Contributions and Balances for Plan Year Ending 12/31/2010

Contribution	25,000	22,197
Carry Over Balance	0	0
Prefunding Balance	0	0

Amount Available at Beginning of Next Plan Year to add to Pre-Funding Balance

	As of ValDate	Rate	Election
Amount from use of Balances	0	12.00%	0
Amount from excess contribution	2,369	5.83%	2,507
Total Amount Available	2,369		2,507

Schedule SB Entries:

<u>Schedule SB Entries:</u>		<u>Carryover Balance</u>	<u>Prefunding Balance</u>	<u>TOTAL</u>
Current Year Line 34	Total funding requirement before reflecting carryover/prefunding balances			19,828
Current Year Line 35	Balances used to offset funding requirement [reflect discounting]	0	0	0
Current Year Line 36	Additional Cash Requirement			19,828
Current Year Line 37	Contributions allocated toward minimum required contribution for current year			22,197
Current Year Line 38	Interest-adjusted Excess Contribution for Current Year			2,369
Next Year Line 7	Balance at beginning of prior year after applicable adjustments	0	64	
Next Year Line 8	Portion used to offset prior year's funding requirement [no discounting]	0	0	
Next Year Line 9	Amount remaining	0	64	
Next Year Line 10	Interest on item 9 using prior year's actual return of 12.00%	0	8	
Next Year Line 11	Prior year's excess contributions to be added to prefunding balance:			
Next Year Line 11a	Excess contributions		2,369	
Next Year Line 11b	Interest on (a)		138	
Next Year Line 11c	Total available at beginning of current plan year to add to prefunding balance		2,507	
Next Year Line 11d	Portion of (c) to be added to prefunding balance		0	

Attachment to 2010 Schedule SB, Line 22
Description of Weighted Average Retirement Age

Plan Name:	Service Champions, Inc. Defined Benefit Pension Plan
EIN:	33-0896958
PN:	002
Plan Year End:	12/31/2010
Valuation Date:	1/1/2010

Line 22. Weighted Average Retirement Age.

Each participant is assumed to retire at his/her normal retirement age. 60 is the age specified in the plan document as normal retirement age.