

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2010
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <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>LIGGETT STASHOWER, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>01/01/1997</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>LIGGETT STASHOWER, INC.</u> <u>1422 EUCLID AVENUE, SUITE 400</u> <u>CLEVELAND, OH 44115</u>	2b Employer Identification Number (EIN) <u>34-1534243</u> 2c Sponsor's telephone number <u>216-348-8500</u> 2d Business code (see instructions) <u>541800</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2011</u>	<u>STEPHEN VERES</u>
	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") LIGGETT STASHOWER, INC. 1422 EUCLID AVENUE, SUITE 400 CLEVELAND, OH 44115	3b Administrator's EIN 34-1534243 3c Administrator's telephone number 216-348-8500
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	135
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	32
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	71
d Subtotal. Add lines 6a , 6b , and 6c	6d	103
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	103
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	103
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10

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

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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 <u>LIGGETT STASHOWER, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LIGGETT STASHOWER, INC.</u>	D Employer Identification Number (EIN) <u>34-1534243</u>	

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

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

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	114994	539051
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	114994	539051

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	40575	25899
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	40575	25899

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	74419	513152
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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)	26829	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		26829

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	424057	
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		424057
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		450886

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	10519	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		10519
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		1634
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		12153

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		438733
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: SS&G FINANCIAL SERVICES

(2) EIN: 34-1945695

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>LIGGETT STASHOWER, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LIGGETT STASHOWER, INC.</u>	D Employer Identification Number (EIN) <u>34-1534243</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-6616922</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK
OWNERSHIP PLAN**

***FINANCIAL
STATEMENTS***

***FOR THE
YEARS ENDED
DECEMBER 31,
2010 AND 2009***

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

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Cleveland Office

32125 Solon Road
Cleveland, OH 44139
www.SSandG.com
440-248-8787
440-248-0841 (f)

Independent Auditors' Report

To the Trustees and Plan Participants of the
Liggett-Stashower, Inc.
Employee Stock Ownership Plan
Cleveland, Ohio

We have audited the accompanying statements of net assets available for benefits of Liggett-Stashower, Inc. Employee Stock Ownership Plan (the 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. 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 audits 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009 and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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As discussed in Note D to the financial statements, the 2010 and 2009 financial statements include investments in Liggett-Stashower, Inc. common stock valued at \$539,051 and \$114,994, respectively, whose values have been estimated by the Board of Trustees based on an annual independent appraisal in the absence of readily ascertainable market values. We have examined the procedures used by the Board of Trustees in arriving at its estimate of the value of such investments and have inspected underlying documentation, and in the circumstances, we believe that such procedures are reasonable and the documentation is appropriate for the years ended December 31, 2010 and 2009. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying 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 information has been subjected to the auditing procedures applied in our audit of the 2010 basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

SS&G Financial Services, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

October 13, 2011

SS&G
Certified Public Accountants and Advisors

www.SSandG.com

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>			<u>2009</u>		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS						
Investments at fair value						
Investment in Liggett-Stashower, Inc. common stock	<u>\$ 528,631</u>	<u>\$ 10,420</u>	<u>\$ 539,051</u>	<u>\$ 111,537</u>	<u>\$ 3,457</u>	<u>\$ 114,994</u>
Total assets	528,631	10,420	539,051	111,537	3,457	114,994
LIABILITIES						
Loans payable	<u>-</u>	<u>25,899</u>	<u>25,899</u>	<u>-</u>	<u>40,575</u>	<u>40,575</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 528,631</u>	<u>\$ (15,479)</u>	<u>\$ 513,152</u>	<u>\$ 111,537</u>	<u>\$ (37,118)</u>	<u>\$ 74,419</u>

See accompanying notes to financial statements.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
CONTRIBUTIONS AND INVESTMENT GAIN (LOSS)						
Employer contributions	\$ 10,519	\$ 16,310	\$ 26,829	\$ 91,516	\$ 17,024	\$ 108,540
Allocation of 338 shares in 2010 and 408 shares in 2009 of Liggett-Stashower, Inc. common stock at fair value	5,783	(5,783)	-	1,489	(1,489)	-
Net appreciation (depreciation) in fair value of investments	<u>411,311</u>	<u>12,746</u>	<u>424,057</u>	<u>(722,695)</u>	<u>(32,479)</u>	<u>(755,174)</u>
Total contributions and investment gain (loss)	<u>427,613</u>	<u>23,273</u>	<u>450,886</u>	<u>(629,690)</u>	<u>(16,944)</u>	<u>(646,634)</u>
DISTRIBUTIONS AND EXPENSES						
Distributions to participants or their beneficiaries	10,519	-	10,519	91,516	-	91,516
Interest expense	<u>-</u>	<u>1,634</u>	<u>1,634</u>	<u>-</u>	<u>2,348</u>	<u>2,348</u>
Total distributions and expenses	<u>10,519</u>	<u>1,634</u>	<u>12,153</u>	<u>91,516</u>	<u>2,348</u>	<u>93,864</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	417,094	21,639	438,733	(721,206)	(19,292)	(740,498)
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	<u>111,537</u>	<u>(37,118)</u>	<u>74,419</u>	<u>832,743</u>	<u>(17,826)</u>	<u>814,917</u>
NET ASSETS AVAILABLE FOR BENEFITS						
End of year	<u>\$ 528,631</u>	<u>\$ (15,479)</u>	<u>\$ 513,152</u>	<u>\$ 111,537</u>	<u>\$ (37,118)</u>	<u>\$ 74,419</u>

See accompanying notes to financial statements.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE A - Description of the plan

The following description of the Liggett-Stashower, Inc. Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Established on January 1, 1997, the Plan is a defined contribution plan generally covering all employees of Liggett-Stashower, Inc. (the Company) who have attained the age of 21 and have completed one year of service. The Plan is designed to operate as a leveraged employee stock ownership plan (the ESOP) and it is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 4975 (e)(7) of the Internal Revenue Code (the Code). The purpose of this Plan is to enable participating employees to share in the growth and prosperity of the Company and to provide participants with an opportunity to accumulate capital for their future economic security by acquiring stock ownership interests in the Company. As such, the Trust Fund established pursuant to the Plan is designed to invest primarily in Company stock. Participation in the Plan commences with the first semi-annual enrollment date following satisfaction of the age and service requirements.

On January 29, 1998, the Plan purchased 21,211 Common Class A shares of the Company from shareholders holding significant interests in the Company's stock using the proceeds of two loans obtained from a financial institution (the Acquisition Loan). The Plan holds the stock in a Trust Fund established under the Plan. The Acquisition Loans were repaid using funds from tax deductible ESOP contributions from the Company to the Trust Fund. As principal and interest payments were made on the Acquisition Loans, a portion of Company stock, as defined by a formula in the Plan agreement, was allocated to the participants' accounts under the Plan, subject to certain Code limitations. The remaining balances on the 1998 Acquisition Loans were paid in full during the year ended December 31, 2002.

In October 2001, the Plan purchased 2,307 Common Class A shares of the Company from a shareholder for \$92,326 with 2,057 of the shares being financed through an \$82,326 note payable to the shareholder (Shareholder Loan). In December 2002, the Plan purchased 1,100 Common Class A shares of the Company from a shareholder with 882 shares being financed through a \$40,545 note payable to the shareholder (Shareholder Loan). In January 2004, the Plan purchased 6,887 Common Class A shares from three shareholders with 5,913 shares being financed through \$182,188 in notes payable to the shareholders (Shareholder Loans). Consistent with the Acquisition Loans, as principal and interest payments are made on the Shareholder Loans, a portion of Company stock, as defined by a formula in the Plan Agreement, is allocated to the participants' accounts under the Plan, subject to certain Code limitations.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE A - Description of the plan, continued

The financial statements of the Plan present separately the net assets available for plan benefits and the changes therein pertaining to:

(a) shares of Company stock allocated to participant accounts (allocated)

(b) shares of Company stock not yet allocated to participant accounts (unallocated)

The Board of Trustees votes all shares of Company stock held by the Plan. Participants are entitled to direct the Board of Trustees by proxy to vote shares allocated to the participants' accounts with respect to all corporate matters upon which Company shareholders are permitted to vote. The Trustees vote the unallocated shares held by the Plan at their sole discretion.

The Plan has provisions for participant direction of their account once a participant has attained age 55 and completed 10 years of participation under the Plan. The participant can only diversify their account during a six-year period commencing on the first day of the Plan year the participant meets the requirement. The participant is allowed to diversify up to 25% of their account during the first five years and up to 50% of their account in the final year. Upon the participant making the necessary election, the administrator shall, in its discretion, determine the nondiscriminatory manner in which such diversification election is to be satisfied, including a lump-sum distribution, participant directed investment, and/or transfer to another plan sponsored by the Company.

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions (with the exception of the contributions required for the Shareholder Loans) at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the account balances of all affected participants will become nonforfeitable and will automatically become fully payable to participants as provided by the Plan.

Tax Status

The Internal Revenue Service issued its latest determination letter on April 11, 2006, which stated that the Plan and related trust, as amended, were designed in accordance with the applicable regulations of the Internal Revenue Code. The Plan has not been amended since receiving the determination letter. The Company and the Plan administrator believe that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE A - Description of the plan, continued

Generally accepted accounting principles (GAAP) requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the tax authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

Recent accounting pronouncements

In January 2010, the FASB issued Accounting Standards Update (“ASU”) 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. ASU 2010-06 revises two disclosure requirements concerning fair value measurements and clarifies two others. It requires separate presentation of significant transfers into and out of Levels 1 and 2 of the fair value hierarchy and disclosure of the reasons for such transfers. It also requires the presentation of purchases, sales, issuances and settlements within Level 3 on a gross basis rather than a net basis. The gross presentation of Level 3 activity is effective for the financial statements for the periods beginning after December 15, 2010, will be presented in future financial statement disclosures and will not have a material impact on those disclosures.

NOTE B - Summary of significant accounting policies

Participant accounts

Participant accounts are maintained and credited with all Company contributions and are invested at the direction of the Company, primarily in shares of Company stock. Plan earnings attributable to a participant’s non-stock account are credited to the participant’s non-stock account in proportion to the balance of such account to the total non-stock accounts of all participants as of the preceding Plan anniversary date. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested accounts.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE B - Summary of significant accounting policies, continued

Contributions

The Company is required to make contributions to the Plan that equal the amount necessary to enable the Plan to make its scheduled payments of principal and interest due on the Shareholders' Loans as well as the amount necessary to meet elected and required participant distributions. These contributions can either be in the form of Company stock, cash or both. All contributions are allocated among eligible participants based on the ratio of participant compensation to total eligible compensation. The Plan also enables the Company to contribute a discretionary amount for a Plan year. The Company made no discretionary contributions during the years ended December 31, 2010 and 2009.

Forfeitures

Forfeitures are allocated to each eligible participant's account the year following the occurrence of the forfeiture based upon the relation of the eligible participant's compensation to total compensation for the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining eligible participants at December 31, 2010 and 2009 totaled approximately \$1,418 and \$1,721, respectively.

Vesting

Participants become vested in their account on the basis of years of service. Participants can also become fully vested upon attainment of normal retirement age or separation of service due to disability or death. A participant becomes vested in his/her account in increments of 20%, whereby he/she is 20% vested after the completion of two years of service and becomes 100% vested after six years of service. The unvested portions of a participant's account are forfeited upon voluntary or involuntary separation from service. All forfeitures are allocated among the remaining Plan participants based on eligible compensation in the year following the occurrence of the forfeiture.

Payment of benefits

On termination of employment due to death, disability or retirement, a participant may elect to receive in cash either a lump sum amount equal to the value of the participant's vested interest in his/her account, or annual installments, generally over a period not longer than five years. In the event of termination of employment for reasons other than death, disability, or retirement, participants may receive a distribution upon the earliest of the fifth Plan year following termination of employment or attainment of age 65.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE B - Summary of significant accounting policies, continued

Put option

Under federal income tax regulations, because the employer stock that is held by the Plan and its participants is not readily tradable on an established market, and is subject to trading limitations, it includes a put option. The put option is a participant's right to demand that the Company buy any shares of its stock allocated to participants for which there is no market. The put price equals the fair value of the stock. The Company can finance the purchase of the shares from the Plan with a note bearing interest over a period of five years. The purpose of the put option is to ensure that participants have the ability to ultimately obtain cash.

Administrative expenses

Costs of administering the Plan are paid by the Plan or the Company, as determined by the Company, subject to limitations under ERISA.

Basis of accounting

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

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note D for discussion of fair value measurements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Risks and uncertainties

Investment securities held by the Plan, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Evaluation of subsequent events

The Company has evaluated subsequent events through October 13, 2011, which is the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize or disclose in these financial statements.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE C - Investments

The Plan's investment in Liggett-Stashower, Inc. common stock at December 31 is as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	<u>30,896</u>	<u>609</u>	<u>30,558</u>	<u>947</u>
Cost	<u>\$ 960,214</u>	<u>\$ 10,455</u>	<u>\$ 947,046</u>	<u>\$ 23,623</u>
Fair value	<u>\$ 528,631</u>	<u>\$ 10,420</u>	<u>\$ 111,537</u>	<u>\$ 3,457</u>

NOTE D - Fair value measurements

GAAP 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 unobserved inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

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: Input to the valuation methodology include:

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

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE D - Fair value measurements, continued

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

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

Common shares of the Company: Fair value is estimated by the Board of Trustees based on an annual independent appraisal in the absence of readily ascertainable market values. Such investments are classified as Level 3 of the fair value hierarchy. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

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

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

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total common shares of the Company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 539,051</u>	<u>\$ 539,051</u>
Balance at December 31, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 539,051</u></u>	<u><u>\$ 539,051</u></u>

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE D - Fair value measurements, continued

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

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total common shares of the Company	\$ -	\$ -	\$ 114,994	\$ 114,994
Balance at December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,994</u>	<u>\$ 114,994</u>

The changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2010 and 2009 are as follows:

Balance, January 1, 2009	\$ 870,168
Unrealized gains (losses), net	<u>(755,174)</u>
Balance, December 31, 2009	114,994
Unrealized gains (losses), net	<u>424,057</u>
Balance, December 31, 2010	<u>\$ 539,051</u>

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE E - Loans payable

Loans payable at December 31 consists of:

	<u>2010</u>	<u>2009</u>
Secured note payable to former officer, payable in 10 equal annual installments of \$8,233 in principal plus interest at the rate of prime (3.25% at December 31, 2010 and 2009) plus 1%. The note is guaranteed by the Company. Matures in 2011.	\$ 8,232	\$ 16,465
Secured note payable to former officer, payable in 10 equal annual installments of \$4,054 in principal plus interest at the rate of prime plus 1%. The note is guaranteed by the Company. Matures in 2012.	8,110	12,164
Secured note payable to former officer, payable in 10 equal annual installments of \$2,389 in principal plus interest at the rate of prime plus 1%. The note is guaranteed by the Company. Matures in 2014.	<u>9,557</u>	<u>11,946</u>
Total	<u>\$ 25,899</u>	<u>\$ 40,575</u>

The future debt maturities on loans payable at December 31, 2010 are as follows:

2011	\$ 14,676
2012	6,445
2013	2,389
2014	<u>2,389</u>
Total	<u>\$ 25,899</u>

LIGGETT-STASHOWER, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

EIN: 34-1534243
PLAN NO: 002

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

DECEMBER 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description (including maturity date, rate of interest, collateral, par or maturity value)	Cost	Current Value
* Liggett-Stashower, Inc.		Common Stock, no par value, 30,896 shares allocated	\$ 960,214	\$ 528,631
* Liggett-Stashower, Inc.		Common Stock, no par value, 609 shares unallocated	<u>10,455</u>	<u>10,420</u>
Total			<u>\$ 970,669</u>	<u>\$ 539,051</u>

* Represents party-in-interest to the Plan.

See accompanying notes to financial statements.

Plan Name	LIGGETT STASHOWER, INC. EMPLOYEE STOCK OWNERSHIP PLAN	EIN:	34-1534243
Plan Sponsor's Name	LIGGETT STASHOWER, INC.	PN:	002

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