

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
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ 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 PREFERRED COMPOUNDING CORP. 401(K) EMPLOYEES SAVINGS PLAN	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	05/04/1990	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) PREFERRED COMPOUNDING CORP 1020 LAMBERT STREET BARBERTON, OH 44203	2b Employer Identification Number (EIN) 27-0013235	2c Sponsor's telephone number 330-798-4921	2d Business code (see instructions) 326200

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2011	STEVE HUETTNER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PREFERRED COMPOUNDING CORP 1020 LAMBERT STREET BARBERTON, OH 44203	3b Administrator's EIN 27-0013235 3c Administrator's telephone number 330-798-4921
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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	161
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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	146
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	21
d Subtotal. Add lines 6a , 6b , and 6c	6d	167
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	167
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	144
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1

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:
 2A 2E 2F 2G 2J 3D 3H

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

9a Plan funding arrangement (check all that apply) (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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 PREFERRED COMPOUNDING CORP. 401(K) EMPLOYEES SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP	D Employer Identification Number (EIN) 27-0013235

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

ASCENSUS

11-3665754

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50	SERVICE PROVIDER	3625	Yes ☒ No ☐	Yes ☐ No ☒	4863	Yes ☐ No ☒

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	4863
(d) Enter name and EIN (address) of source of indirect compensation MERRILL LYNCH, PIERCE, FENNER&SMITH 13-5674085		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. RR SUBSIDIES, QUALITY SERVICE BONUS		
(a) Enter service provider name as it appears on line 2		
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation PRUDENTIAL 22-3703799		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE ATTACHED		
(a) Enter service provider name as it appears on line 2		
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation PIMCO 95-2632339		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. SEE ATTACHED		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER		SEE ATTACHED
13-2527171		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NATIXIS FUNDS		SEE ATTACHED
04-3200027		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MFS		SEE ATTACHED
04-2747644		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GOLDMAN SACHS	SEE ATTACHED	
13-5108880		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
FRANKLIN TEMPLETON INVESTMENTS	SEE ATTACHED	
94-3167260		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
EATON VANCE	SEE ATTACHED	
04-2718215		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DAVIS FUNDS	SEE ATTACHED	
52-1346931		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CAPITAL RESEARCH AND MANAGEMENT CO	SEE ATTACHED	
95-1411037		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BLACKROCK	SEE ATTACHED	
04-6171663		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ASCENSUS	33 60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLIANZ FUNDS 33-0457728	SEE ATTACHED	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2010 This Form is Open to Public Inspection.	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010					
A Name of plan PREFERRED COMPOUNDING CORP. 401(K) EMPLOYEES SAVINGS PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP				D Employer Identification Number (EIN) 27-0013235	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT PRESERVATION TRUST					
b Name of sponsor of entity listed in (a): MERRILL LYNCH					
c EIN-PN 22-6484011-001		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1125491	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA,	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 PREFERRED COMPOUNDING CORP. 401(K) EMPLOYEES SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP	D Employer Identification Number (EIN) 27-0013235	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	9	16
(2) U.S. Government securities.....	1c(2)	191877	140738
(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)	254050	331568
(9) Value of interest in common/collective trusts.....	1c(9)	1078099	1125491
(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)	3722242	4483992
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5246277	6081805

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5246277	6081805
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	112226	
(B) Participants	2a(1)(B)	391596	
(C) Others (including rollovers)	2a(1)(C)	203940	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		707762
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)	10373	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	21691	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		32064
(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)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		17452
(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)		553150
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1310428

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	458418	
(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)		458418
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		25823
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	3625	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3629
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		487870

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		822558
l Transfers of assets:			
(1) To this plan.....	2l(1)		12970
(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: BRUNER-COX, LLP

(2) EIN: 34-0641962

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		600000
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>PREFERRED COMPOUNDING CORP. 401(K) EMPLOYEES SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PREFERRED COMPOUNDING CORP</u>	D Employer Identification Number (EIN) <u>27-0013235</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>45-0404698</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): _____

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Preferred Rubber Compounding Corp.
401(k) Employees Savings Plan
Barberton, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of Preferred Rubber Compounding Corp. 401(k) Employees Savings Plan as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Ascensus, the recordkeeper of the Plan as agent for Frontier Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bruner • Cox, LLP

Canton, Ohio
October 13, 2011

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

**PREFERRED RUBBER COMPOUNDING CORP.
401(k) EMPLOYEES SAVINGS PLAN
EIN 27-0013235
PN 002**

December 31, 2010

<i>(a)</i>	<i>(b)</i> <i>Identity of issuer, borrower, lessor or similar party</i>	<i>(c)</i> <i>Description of investment including maturity date, rate of interest, collateral and par or maturity value</i>	<i>(d)</i> <i>Cost</i>	<i>(e)</i> <i>Current value</i>
	Mutual Funds			
	BlackRock, Inc.	BlackRock EuroFund 4,200 shares	**	\$ 53,041
	Davis Funds	Davis NY Venture Fund A 22,808 shares	**	783,223
	MFS Investment Management	Latin American Equity Fund 1 1,112 shares	**	114,387
	Eaton Vance Management	Eaton Vance Government Obligations Fund A 19,328 shares	**	144,766
	PIMCO Funds	PIMCO GNMA Fund 12,324 shares	**	140,738
	Oppenheimer Funds	Oppenheimer Developing Markets Fund A 3,804 shares	**	138,717
	BlackRock, Inc.	BlackRock Healthcare Fund, Inc. 2,691 shares	**	15,043
	BlackRock, Inc.	BlackRock Basic Value Fund, Inc. 8,441 shares	**	216,006
	BlackRock, Inc.	BlackRock Global Dynamic Equity A 2,206 shares	**	27,577
	MFS Investment Management	MFS Research International Fund A 26,440 shares	**	402,411
	Allianz Funds	Allianz NFJ Small Cap Value Fund A 22,694 shares	**	647,688
	Goldman Sachs Group, Inc.	Goldman Sachs Mid Cap Value Fund A 6,108 shares	**	219,287
	American Funds	American Funds Growth Fund of America R3 12,083 shares	**	362,258
	BlackRock, Inc.	BlackRock Global SmallCap Fund, Inc. 4,121 shares	**	94,495
	BlackRock, Inc.	BlackRock Inflation Protected Bond Portfolio 1,074 shares	**	11,585
	Prudential Investments	Jennison Mid-Cap Growth Fund A 11,433 shares	**	313,028
	BlackRock, Inc.	BlackRock Global Allocation Fund, Inc. 6,075 shares	**	117,972

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

**PREFERRED RUBBER COMPOUNDING CORP.
401(k) EMPLOYEES SAVINGS PLAN
EIN 27-0013235
PN 002**

December 31, 2010

<i>(a)</i>	<i>(b)</i> <i>Identity of issuer, borrower, lessor or similar party</i>	<i>(c)</i> <i>Description of investment including maturity date, rate of interest, collateral and par or maturity value</i>	<i>(d)</i> <i>Cost</i>	<i>(e)</i> <i>Current value</i>
	Mutual Funds (Continued)			
	Prudential Investments	Jennison Equity Opportunity Fund A 10,250 shares	**	\$ 142,267
	PIMCO Funds	PIMCO Low Duration Fund A 16,475 shares	**	171,178
	BlackRock, Inc.	BlackRock Small Cap Growth Equity Portfolio 2,682 shares	**	58,875
	BlackRock, Inc.	BlackRock Utilities and Telecommunications 2,091 shares	**	24,569
	Natixis Funds	Loomis Sayles Invest Grade Bond Fund A 31,310 shares	**	379,786
		Templeton Global Bond Fund A 3,372 shares	**	45,833
				4,624,730
	Common Collective Trust Funds			
	* Merrill Lynch	Retirement Preservation Trust	**	1,125,491
	* Participant Loans	Loans maturing from 2011 to 2015, interest rates at 8.5%		331,568
	* Cash	Merrill Lynch contribution account		16
				\$ 6,081,805

* Party-in-interest to the Plan

** Cost omitted for participant-directed investments per regulations

The above information has been certified by Ascensus, as agent for Frontier Trust Company, the trustee,
as complete and accurate.

Financial Statements and Supplemental Schedule

**Preferred Rubber Compounding Corp.
401(k) Employees Savings Plan**

December 31, 2010

BRUNER-COX LLP

Business Consultants & Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Preferred Rubber Compounding Corp.
401(k) Employees Savings Plan
Barberton, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of Preferred Rubber Compounding Corp. 401(k) Employees Savings Plan as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Ascensus, the recordkeeper of the Plan as agent for Frontier Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bruner • Cox, LLP

Canton, Ohio
October 13, 2011

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

December 31, 2010 and 2009

	2010	2009
ASSETS		
Investments, at fair value		
Mutual funds	\$ 4,624,730	\$ 3,914,119
Common collective trust	1,125,491	1,005,184
Cash	16	9
	<u>5,750,237</u>	<u>4,919,312</u>
Receivables		
Employer contributions	-	17,771
Participant contributions	-	11,906
Notes receivable from participants	331,568	254,050
	<u>331,568</u>	<u>283,727</u>
Net assets available for benefits at fair value	6,081,805	5,203,039
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	72,915
Net assets available for benefits	\$ 6,081,805	\$ 5,275,954

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

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

**PREFERRED RUBBER COMPOUNDING CORP.
401(k) EMPLOYEES SAVINGS PLAN**

For the year ended December 31, 2010

ADDITIONS TO NET ASSETS

Contributions	
Participants	\$ 379,690
Employer	94,455
Rollover	203,940
Investment income	
Interest and dividend income	103,801
Net appreciation in fair value of investments	498,865
Total additions to net assets	1,280,751

DEDUCTIONS FROM NET ASSETS

Benefit payments	458,418
Deemed distributions of participant loans	25,823
Administrative expenses	3,629
Total deductions from net assets	487,870

Net increase in net assets available for benefits 792,881

NET TRANSFER FROM OTHER PLANS 12,970

**NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR,
AS RESTATED**

5,275,954

NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR

\$ 6,081,805

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

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 1. Description of the Plan

The following is a general description of the major provisions of the Preferred Rubber Compounding Corp. 401(k) Employees Savings Plan (Plan). Participants should refer to the Summary Plan Description and Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all salaried employees not classified as bargaining unit or reclassified employees of Preferred Compounding Corp. (Plan Sponsor). All covered employees are deemed to be participants in the Plan as of the first day of the payroll period following one month of full-time employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may voluntarily defer a percentage of gross salary up to 30% of annual salary or up to the statutory maximum amounts, whichever is less. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company may make discretionary matching or profit sharing contributions to the Plan. The discretionary matching contributions are allocated to participants within the Plan per the Plan document. The Company's profit sharing contributions are allocated to each of these participants' accounts based on their annual year compensation. Compensation, per the Plan document, is calculated based on wages excluding fringe benefits, overtime, bonuses, and commissions. The Company's discretionary matching contributions totaled \$94,455 in 2010. No profit sharing contributions were made during 2010.

Participant Accounts

Each participant's account is credited with the participant's deferrals and allocations of (a) the Company's discretionary contributions, if any, (b) Plan earnings, and (c) administrative fees. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. Participants are 20% vested in the Company's contributions after the completion of one year of service and increase in increments of 20% for each year of service thereafter. A participant is 100% vested after five years of credited service.

Participants' Investment Options

Upon enrollment in the Plan, a participant must direct employer contributions and employee deferrals to selected investments, as made available and determined by the Plan Administrator. Participants may change their investment options at their discretion.

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 1. Description of the Plan (Continued)

Notes Receivable From Participants

Participants may borrow from their fund accounts, a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear an interest rate of 8.5%. Loan terms range from 1 to 5 years. Principal and interest are repaid ratably through monthly payroll deductions.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant/beneficiary may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual or more frequent installments, except for accounts with a value less than \$5,000, which is distributed as a lump sum. For termination of service due to other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution. Hardship withdrawals of vested account balances are also permitted by the Plan.

Forfeited Accounts

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$24,410 and \$15,586, respectively. These accounts are used first to reduce plan administrative expenses and then to reduce future contributions by the Company.

Note 2. Significant Accounting Policies

The following are the significant accounting policies followed by the Plan.

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

The Plan's 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 4 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan. Administrative fees incurred in maintaining the Plan are paid by the Plan. Other administrative expenses incurred by the Plan are paid by the Plan Sponsor.

Recent Accounting Pronouncements

In January 2010, the FASB issued an amendment "Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements" (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment was effective and adopted for periods beginning on or after December 15, 2009. See Note 4 for the impact of the adoption. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010, and has not yet been adopted. The guidance related to Level 3 measurements is not expected to have an impact on disclosures.

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

In September 2010, the FASB issued an amendment “Plan Accounting – Defined Contribution Pension Plans: Reporting Loans to Participants by Defined Contribution Pension Plans” (ASU 2010-25), which provides guidance on how loans to participants should be classified and measured by defined contribution pension plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This amendment requires retrospective application to all periods presented. This amendment was adopted for the year ended December 31, 2010, and retrospectively applied to December 31, 2009. Prior year amounts and disclosures have been revised to reflect the retrospective application of adopting this new amendment. The adoption resulted in a reclassification of participant loans totaling \$331,568 and \$254,050 from investments to notes receivable as of December 31, 2010 and 2009, respectively. There was no impact to the net assets as of December 31, 2010 and 2009, as a result of the adoption.

Pending Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update 2011-04, “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs” (ASU 2011-04). ASU 2011-04 amended the FASB Fair Value Measurements and Disclosures topic to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in the Fair Value Measurements and Disclosures topic. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan’s financial statements.

Subsequent Events

The Plan has evaluated subsequent events through October 13, 2011, the date the financial statements were available to be issued.

Note 3. Investments

All investment information including investments held and notes receivable from participants as of December 31, 2010 and 2009, interest and dividend income and net appreciation in fair value of investments for the year ended December 31, 2010, included in the Plan’s financial statements and supplemental schedule, was prepared by or derived from information provided by Ascensus, as agent for Frontier Trust Company, the trustee, and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the trustee that the information provided to the Plan Administrator by the trustee related to the investments is complete and accurate, with the exception of the adjustment to fair value of the common collective trust, which is reported at contract value by the trustee. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan’s independent auditors not to perform any auditing procedures with respect to the investment information.

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 3. Investments (Continued)

The fair values of individual participant-directed investments that represent 5% or more of the Plan's net assets as of December 31 are as follows:

	2010	2009
Davis NY Venture Fund A	\$ 783,223	\$ 792,053
Allianz NFJ Small Cap Value Fund A	647,688	483,822
Merrill Lynch Retirement Preservation Trust	1,125,491	1,005,184
Loomis Sayles Invest Grade Bond Fund A	379,786	356,857
MFS Research International Fund A	402,411	317,550
American Funds Growth Fund of America R3	362,258	292,047
Prudential Jennison MidCap Growth Fund A	313,028	236,761 *

*investment less than 5% of the Plan's net assets but presented for comparative purposes

During 2010, the Plan's investments in mutual funds appreciated in fair value by \$489,865.

Note 4. Fair Value Measurements

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

Mutual Funds: Valued at the net asset value of shares held by the Plan at year end.

Common Collective Trust: Valued at fair value based on the unit prices quoted by the fund, representing the fair value of the underlying investments.

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

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

	Assets at fair value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Asset allocation funds	\$ 117,972	\$ -	\$ -	\$ 117,972
Income funds	140,738	-	-	140,738
Equity funds	1,242,893	-	-	1,242,893
Bond funds	753,147	-	-	753,147
Prudential Jennison MidCap Growth Fund	863,694	-	-	863,694
Growth funds	822,891	-	-	822,891
Growth and income funds	142,267	-	-	142,267
International funds	541,128	-	-	541,128
Common collective trust	-	1,125,491	-	1,125,491
Cash	16	-	-	16
Total assets at fair value	\$4,624,746	\$1,125,491	\$ -	\$5,750,237

	Assets at fair value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Notes receivable from participants	\$ 89,060	\$ -	\$ -	\$ 89,060
Income funds	299,717	-	-	299,717
Equity funds	1,155,251	-	-	1,155,251
Bond funds	474,662	-	-	474,662
Value funds	709,150	-	-	709,150
Growth funds	697,098	-	-	697,098
Growth and income funds	116,366	-	-	116,366
International funds	372,815	-	-	372,815
Common collective trust	-	1,005,184	-	1,005,184
Cash	9	-	-	9
Total assets at fair value	\$3,914,128	\$1,005,184	\$ -	\$4,919,312

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

The following table sets forth additional disclosures of the Plan's investment whose fair value is estimated using net asset value per share (or its equivalent) as of December 31:

		2010		
	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust (a)	<u>\$1,125,491</u>	<u>\$ -</u>	Daily	None
		2009		
	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust (b)	<u>\$1,005,184</u>	<u>\$ -</u>	Daily	None

- (a) Effective October 6, 2010, the trustee of the Plan's stable value common collective trust, approved a resolution to terminate the trust and change investment strategies. The fund's investments in investment contracts were liquidated and replaced with short-term investments. Consequentially, there is no longer a contract value to fair value adjustment.

This class includes a short-term bond common collective trust which seek to provide preservation of capital, maintain high liquidity and earn an appropriate market return. The fund's net assets consists of approximately 77% short-term bonds of U.S. government sponsored agencies and 23% short-term U.S. Treasury Bills. Investments in this class can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets. The fair value of investment(s) in this class has been estimated using the net asset value per share of the underlying investment(s).

- (b) This class includes a stable value common collective trust which seek to provide preservation of capital, liquidity and current income at levels that are typically higher than those provided by money market funds. The fund's net assets consists of approximately 95% investment contracts and 5% other investments. The fund's strategy seeks to invest primarily in guaranteed investment contracts. Investments in this class can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets. The fair value of investment(s) in this class has been estimated using the net asset value per share of the underlying investment(s).

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 5. Related-Party Transactions

Certain Plan investments are shares of mutual funds managed by Ascensus, as agent for Frontier Trust Company, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their entire account.

Note 7. Income Tax Status

The Plan adopted a standardized form of a prototype plan sponsored by Ascensus. The prototype plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes the Plan is designed and is currently being operated in compliance with applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination, including the resolution of appeals or litigation processes, if any. 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.

Note 8. Risks and Uncertainties

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

NOTES TO FINANCIAL STATEMENTS

PREFERRED RUBBER COMPOUNDING CORP. 401(k) EMPLOYEES SAVINGS PLAN

Note 9. Reconciliation of Financial Statements to Form 5500

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

	2010	2009
Net assets available for benefits at contract value as presented in these financial statements	\$ 6,081,805	\$ 5,275,954
Less contributions receivable	-	(29,677)
Net assets available for benefits per Form 5500	\$ 6,081,805	\$ 5,246,277
Net decrease in net assets available for benefits		
Notes receivable from participants	\$ 792,881	
Adjustment for contributions receivable - net	29,677	
Net decrease in net assets per Form 5500	\$ 822,558	

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

**PREFERRED RUBBER COMPOUNDING CORP.
401(k) EMPLOYEES SAVINGS PLAN
EIN 27-0013235
PN 002**

December 31, 2010

<i>(a)</i>	<i>(b)</i> <i>Identity of issuer, borrower, lessor or similar party</i>	<i>(c)</i> <i>Description of investment including maturity date, rate of interest, collateral and par or maturity value</i>	<i>(d)</i> <i>Cost</i>	<i>(e)</i> <i>Current value</i>
	Mutual Funds			
	BlackRock, Inc.	BlackRock EuroFund 4,200 shares	**	\$ 53,041
	Davis Funds	Davis NY Venture Fund A 22,808 shares	**	783,223
	MFS Investment Management	Latin American Equity Fund 1 1,112 shares	**	114,387
	Eaton Vance Management	Eaton Vance Government Obligations Fund A 19,328 shares	**	144,766
	PIMCO Funds	PIMCO GNMA Fund 12,324 shares	**	140,738
	Oppenheimer Funds	Oppenheimer Developing Markets Fund A 3,804 shares	**	138,717
	BlackRock, Inc.	BlackRock Healthcare Fund, Inc. 2,691 shares	**	15,043
	BlackRock, Inc.	BlackRock Basic Value Fund, Inc. 8,441 shares	**	216,006
	BlackRock, Inc.	BlackRock Global Dynamic Equity A 2,206 shares	**	27,577
	MFS Investment Management	MFS Research International Fund A 26,440 shares	**	402,411
	Allianz Funds	Allianz NFJ Small Cap Value Fund A 22,694 shares	**	647,688
	Goldman Sachs Group, Inc.	Goldman Sachs Mid Cap Value Fund A 6,108 shares	**	219,287
	American Funds	American Funds Growth Fund of America R3 12,083 shares	**	362,258
	BlackRock, Inc.	BlackRock Global SmallCap Fund, Inc. 4,121 shares	**	94,495
	BlackRock, Inc.	BlackRock Inflation Protected Bond Portfolio 1,074 shares	**	11,585
	Prudential Investments	Jennison Mid-Cap Growth Fund A 11,433 shares	**	313,028
	BlackRock, Inc.	BlackRock Global Allocation Fund, Inc. 6,075 shares	**	117,972

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

**PREFERRED RUBBER COMPOUNDING CORP.
401(k) EMPLOYEES SAVINGS PLAN
EIN 27-0013235
PN 002**

December 31, 2010

<i>(a)</i>	<i>(b)</i> <i>Identity of issuer, borrower, lessor or similar party</i>	<i>(c)</i> <i>Description of investment including maturity date, rate of interest, collateral and par or maturity value</i>	<i>(d)</i> <i>Cost</i>	<i>(e)</i> <i>Current value</i>
Mutual Funds (Continued)				
	Prudential Investments	Jennison Equity Opportunity Fund A 10,250 shares	**	\$ 142,267
	PIMCO Funds	PIMCO Low Duration Fund A 16,475 shares	**	171,178
	BlackRock, Inc.	BlackRock Small Cap Growth Equity Portfolio 2,682 shares	**	58,875
	BlackRock, Inc.	BlackRock Utilities and Telecommunications 2,091 shares	**	24,569
	Natixis Funds	Loomis Sayles Invest Grade Bond Fund A 31,310 shares	**	379,786
		Templeton Global Bond Fund A 3,372 shares	**	45,833
				<u>4,624,730</u>
Common Collective Trust Funds				
	* Merrill Lynch	Retirement Preservation Trust	**	1,125,491
	* Participant Loans	Loans maturing from 2011 to 2015, interest rates at 8.5%		331,568
	* Cash	Merrill Lynch contribution account		<u>16</u>
				<u><u>\$ 6,081,805</u></u>

* Party-in-interest to the Plan

** Cost omitted for participant-directed investments per regulations

The above information has been certified by Ascensus, as agent for Frontier Trust Company, the trustee, as complete and accurate.

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e)
Formula Description

Plan Name: PREFERRED RUBBER COMPOUNDING CORP. 401K PLAN
Plan Number: 037550
Broker Dealer: Merrill Lynch

Ticker Symbol	Investment Name	Formula used to determine Sub-TA Compensation paid to Ascensus
GMPCVAX	(CL) GM ALLIANZ Small Cap Value Fund A	12 dollars per fund position
MDGUX	BlackRock Utilities and Telecommunicatio	12 dollars per fund position
MDGUX	BlackRock Utilities and Telecommunicatio	12 dollars per fund position
GMMLGIX6o	GM ML Retirement Preservation Trust	N/A
GMCCGAX	GM BlackRock Government Income Portfolio	N/A
GMMDBAX	GM BlackRock Basic Value Fund Inc.	12 dollars per fund position
GMMDBAX	GM BlackRock Basic Value Fund Inc.	12 dollars per fund position
MLGIX6o	ML Retirement Preservation Trust	10 basis points
GMPCVAX	(CL) GM ALLIANZ Small Cap Value Fund A	12 dollars per fund position
MDGCX	BlackRock Global SmallCap Fund Inc.	12 dollars per fund position
GMMRSAX	GM MFS Research International Fund A	12 dollars per fund position
GMMRSAX	GM MFS Research International Fund A	12 dollars per fund position
GMMDGCX	GM BlackRock Global SmallCap Fund In	12 dollars per fund position
GMMDGCX	GM BlackRock Global SmallCap Fund In	12 dollars per fund position
LIGRX	Loomis Sayles Investment Grade Bond Fd A	12 dollars per fund position
LIGRX	Loomis Sayles Investment Grade Bond Fd A	12 dollars per fund position
GMLIGRX	GM Loomis Sayles Invest Grade Bond Fd A	12 dollars per fund position
GMNYVTX	GM Davis NY Venture Fund A	N/A
PCVAX	ALLIANZ NFJ Small Cap Value Fund A	12 dollars per fund position
MLGIX6o	ML Retirement Preservation Trust	N/A
CCGAX	BlackRock Government Income Portfolio	N/A
MDLOX	BlackRock Global Allocation Fund Inc.	12 dollars per fund position
MDLOX	BlackRock Global Allocation Fund Inc.	12 dollars per fund position

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e)

Formula Description

Plan Name: PREFERRED RUBBER COMPOUNDING CORP. 401K PLAN
 Plan Number: 037550
 Broker Dealer: Merrill Lynch

Ticker Symbol	Investment Name	Formula used to determine Sub-TA Compensation paid to Ascensus
MDBAX	BlackRock Basic Value Fund Inc.	12 dollars per fund position
MDBAX	BlackRock Basic Value Fund Inc.	12 dollars per fund position
NYVTX	Davis NY Venture Fund A	12 dollars per fund position
MDHCX	BlackRock Healthcare Fund Inc.	12 dollars per fund position
MLEIX	ML Equity Index Trust 1	N/A
MDHCX	BlackRock Healthcare Fund Inc.	12 dollars per fund position
PCVAX	ALLIANZ NFJ Small Cap Value Fund A	12 dollars per fund position
MRSAX	MFS Research International Fund A	12 dollars per fund position
MRSAX	MFS Research International Fund A	12 dollars per fund position
MDEFX	BlackRock Eurofund	12 dollars per fund position
MDEFX	BlackRock Eurofund	12 dollars per fund position
MDGCX	BlackRock Global SmallCap Fund Inc.	12 dollars per fund position
RGACX	American Funds Growth Fnd of Amer R3	12 dollars per fund position
NYVTX	Davis NY Venture Fund A	12 dollars per fund position
GMPEEAX	GM Prudential Jennison MidCap Gr A	12 dollars per fund position
GMLIGRX	GM Loomis Sayles Invest Grade Bond Fd A	12 dollars per fund position
PJIAx	Prudential Jennison Eqty Oppty A	12 dollars per fund position
PEEAX	Prudential Jennison MidCap Gr A	12 dollars per fund position
PEEAX	Prudential Jennison MidCap Gr A	12 dollars per fund position
ODMAX	Oppenheimer Developing Markets Fd A	12 dollars per fund position
ODMAX	Oppenheimer Developing Markets Fd A	12 dollars per fund position
GMPJIAx	GM Prudential Jennison Eqty Oppty A	12 dollars per fund position
TPINX	Templeton Global Bond Fund A	12 dollars per fund position

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e)
Formula Description

Plan Name: PREFERRED RUBBER COMPOUNDING CORP. 401K PLAN
Plan Number: 037550
Broker Dealer: Merrill Lynch

Ticker Symbol	Investment Name	Formula used to determine Sub-TA Compensation paid to Ascensus
GMPEEAX	GM Prudential Jennison MidCap Gr A	12 dollars per fund position
TPINX	Templeton Global Bond Fund A	12 dollars per fund position
GMODMAX	GM Oppenheimer Developing Mkts Fd A	12 dollars per fund position
GMODMAX	GM Oppenheimer Developing Mkts Fd A	12 dollars per fund position
GMEVGOX	GM Eaton Vance Govt Obligations Fund A	12 dollars per fund position
GMEVGOX	GM Eaton Vance Govt Obligations Fund A	12 dollars per fund position
GMPAGNX	GM PIMCO GNMA Fund	12 dollars per fund position
GMPAGNX	GM PIMCO GNMA Fund	12 dollars per fund position
GMPTLAX	GM PIMCO Low Duration Fund Class A	12 dollars per fund position
GMPJIAX	GM Prudential Jennison Eqty Oppty A	12 dollars per fund position
MDEGX	Blackrock Global Dynamic Equity A	12 dollars per fund position
GMPTLAX	GM PIMCO Low Duration Fund Class A	12 dollars per fund position
GMRGACX	GM American Funds Growth Fnd of Amer R3	12 dollars per fund position
GMRGACX	GM American Funds Growth Fnd of Amer R3	12 dollars per fund position
GCMAX	Goldman Sachs Mid Cap Value Fund A	12 dollars per fund position
GCMAX	Goldman Sachs Mid Cap Value Fund A	12 dollars per fund position
GMGCMAX	GM Goldman Sachs Mid Cap Value Fund A	12 dollars per fund position
GMGCMAX	GM Goldman Sachs Mid Cap Value Fund A	12 dollars per fund position
PJIAX	Prudential Jennison Eqty Oppty A	12 dollars per fund position
CSGEX	BlackRock Small Cap Growth Equity Portfo	12 dollars per fund position
RGACX	American Funds Growth Fnd of Amer R3	12 dollars per fund position
MDEGX	Blackrock Global Dynamic Equity A	12 dollars per fund position
PTLAX	PIMCO Low Duration Fund A	12 dollars per fund position

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e)

Formula Description

Plan Name: PREFERRED RUBBER COMPOUNDING CORP. 401K PLAN

Plan Number: 037550

Broker Dealer: Merrill Lynch

Ticker Symbol	Investment Name	Formula used to determine Sub-TA Compensation paid to Ascensus
PTLAX	PIMCO Low Duration Fund A	12 dollars per fund position
PAGNX	PIMCO GNMA Fund	12 dollars per fund position
PAGNX	PIMCO GNMA Fund	12 dollars per fund position
BPRAX	BlackRock Inflation Protected Bond Portf	12 dollars per fund position
BPRAX	BlackRock Inflation Protected Bond Portf	12 dollars per fund position
CSGEX	BlackRock Small Cap Growth Equity Portfo	12 dollars per fund position