Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for: [X] single-employer plan [ ] multiple-employer plan (not multiemployer) [ ] one-participant plan

B This return/report is for: [ ] first return/report [ ] final return/report
[ ] an amended return/report [ ] short plan year return/report (less than 12 months)

C Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] DFVC program
[ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
EMERALD CASCADE RESTAURANT SYSTEMS, INC. DEFINED BENEFIT PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2002

2a Plan sponsor's name and address (employer, if for single-employer plan)
EMERALD CASCADE RESTAURANT SYSTEMS, INC.

5055 AVENIDA ENCINAS STE 200
CARLSBAD, CA 92008

2b Employer Identification Number (EIN) 91-1414851

2c Plan sponsor's telephone number 760-476-3411

2d Business code (see instructions) 722210

3a Plan administrator's name and address (if same as Plan sponsor, enter "Same")
SPURGEON & MARTIN
AN ACCOUNTANCY CORPORATION
5055 AVENIDA ENCINAS, STE 201
CARLSBAD, CA 92008

3b Administrator's EIN 95-3563836

3c Administrator's telephone number 858-279-7990

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

4b EIN

4c PN

5a Total number of participants at the beginning of the plan year	**5a**	63
b Total number of participants at the end of the plan year	**5b**	12
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

7 Plan Assets and Liabilities		**(a) Beginning of Year**	**(b) End of Year**
a Total plan assets	**7a**	890887	332489
b Total plan liabilities	**7b**		
c Net plan assets (subtract line 7b from line 7a)	**7c**	890887	332489

8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: **(1)** Employers	**8a(1)**	139300	
(2) Participants	**8a(2)**		
(3) Others (including rollovers)	**8a(3)**		
b Other income (loss)	**8b**	36498	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	**8c**		175798
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	**8d**	725434	
e Certain deemed and/or corrective distributions (see instructions)	**8e**		
f Administrative service providers (salaries, fees, commissions)	**8f**		
g Other expenses	**8g**	8762	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	**8h**		734196
i Net income (loss) (subtract line 8h from line 8c)	**8i**		-558398
j Transfers to (from) the plan (see instructions)	**8j**		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3D 1I

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

Part V Compliance Questions

10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		100000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X		62946
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

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

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? [ ] Yes [X] No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

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

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

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

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

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a

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

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

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

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	SPURGEON AND MARTIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	EMERALD CASCADE RESTAURANT SYST
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

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

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

A Name of plan
EMERALD CASCADE RESTAURANT SYSTEMS, INC. DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
EMERALD CASCADE RESTAURANT SYSTEMS, INC.

D Employer Identification Number (EIN)
91-1414851

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 31 Year 2010

2	Assets:			
	a Market value		**2a**	332489
	b Actuarial value		**2b**	332489
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**		
	b For terminated vested participants	**3b**	1	6876
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		1341471
	(3) Total active	**3c(3)**	11	1341471
	d Total	**3d**	12	1348347
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	5.19 %
6	Target normal cost		**6**	

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary	Date: 10/17/2011
BASHARAT A. JAVAID	11-04793
Type or print name of actuary	Most recent enrollment number
THE BKS COMPANY	858-578-3202
Firm name	Telephone number (including area code)
9265 DOWDY DERIVE, SUITE 226 1 SAN DIEGO, CA 92126-6378	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	19582	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	19582	0
10	Interest on item 9 using prior year's actual return of -2.87 %	-562	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 5.73 %		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	19020	0

Part III Funding percentages

14	Funding target attainment percentage	14	23.17 %
15	Adjusted funding target attainment percentage	15	23.18 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	54.39 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	24.66 %

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/15/2010	139300	0			
		Totals ► 18(b)		139300	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	126931
b Contributions made to avoid restrictions adjusted to valuation date	19b	126931
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [X] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.14 %	5.90 %	6.45 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 63

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years — **28**: 126931

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) — **29**: 126931

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) — **30**: 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) — **31**: 3733

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	981931	187751
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount — **33**:

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) — **34**: 191484

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	0	0	0

36 Additional cash requirement (item 34 minus item 35) — **36**: 191484

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) — **37**: 0

38 Interest-adjusted excess contributions for current year (see instructions) — **38**: 0

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) — **39**: 191484

40 Unpaid minimum required contribution for all years — **40**: 191484

Attachment to Schedule SB (Form 5500)

Line 32, Schedule of Amortization Bases

Emerald Cascade Restaurant Systems, Inc. Defined Benefit Pension Plan

Plan Year End: 12/31/2010 EIN : 91-1414851

	Initial Date	Original Amount	Original Period	Balance As of 12/31/09	Prior Yr Charge/ (Credit)	Balance As of 12/31/10	Remaing. Period	Annual Charge/ (Credit)
Charges								
Shortfall Charge	12/31/08	686,975	7	611,299	115,469	543,246	5	115,469
Shortfall Charge	12/31/09	58,085	7	58,085	9,725	53,055	6	9,725
Shortfall Charge	12/31/10	385,631	7			385,631	7	62,557
Total Charges		1,130,691		669,384	125,194	981,931		187,751

Emerald Cascade Restaurant Systems, Inc. Defined Benefit Pension Plan
Valuation As of 12/31/2010 (Plan Frozen As of 12/31/2006)

	Years of Credited Service										
Age	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 +	Total
Under 25											
25 - 29											
30 - 34			3								3
35 - 39			1								1
40 - 44											
45 - 49				1	1	1					3
50 - 54			1								1
55 - 59			1								1
60 - 64					1						1
65 - 69				1							1
70 & over											
Total			6	2	2	1					11

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

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

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

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

A Name of plan	B Three-digit plan number (PN) ▶	001
Emerald Cascade Restaurant Systems, Inc. DBP Plan		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
Emerald Cascade Restaurant Systems, Inc.	91-1414851	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 31 Year 2010

2	Assets:			
	a Market value	2a		332,489
	b Actuarial value	2b		332,489
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	0	0
	b For terminated vested participants	3b	1	6,876
	c For active participants:			
	(1) Non-vested benefits	3c(1)		0
	(2) Vested benefits	3c(2)		1,341,471
	(3) Total active	3c(3)	11	1,341,471
	d Total	3d	12	1,348,347
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions	4a		
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		5.19 %
6	Target normal cost	6		0

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary — Date: 10/17/2011

Basharat A. Javaid — Type or print name of actuary

11-04793 — Most recent enrollment number

The BKS Company — Firm name

(858)578-3202 — Telephone number (including area code)

9265 Dowdy Drive, Suite 226

San Diego CA 92126-6378 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Emerald Cascade Restaurant Systems, Inc. Defined Benefit Pension Plan

Principal Plan Provisions as of the Valuation Date of 12/31/2010

Plan Effective Date: 01/01/1992 Benefit Accruals Ceased: 12/31/2006

Accrued Benefit: Retirement Benefit formula is a Unit Credit type.

Actuarial Equivalent Basis:	Pre-Retirement	Post-Retirement
Interest:	7.00%	5.00%
Mortality:	None	IAM 1983 (Females)
Setback:	0 Years	0 Years
Load:	0.0%	0.0%

Applicable Interest Rate & Mortality:

Pre/Post Retirement Interest: Prescribed Segment Rates for the 1st Month preceding the Plan Year.

Post Retirement Mortality: Prescribed Mortality Table for the Plan Year.

Normal Retirement Age:

Later of 62nd Birthday and 16th Anniversary of Participation.

Normal Retirement Date: Plan Anniversary nearest to the date the NRA eligibility is met.

Normal Retirement Benefit:

Benefit accrued as 12/31/2006.

Credited Service for Benefits: Participation service from 01/01/2003.

Normal Form of Benefit: Life annuity.

Minimum Retirement Benefit: No minimum benefit other than the Top Heavy minimum, if applicable.

Minimum Accrued Benefit: Not Applicable.

Credited Service for Minimum Benefits: Not Applicable.

Year of Service for Benefit Accrual: A plan year with 1000 or more credited hours.

Average Compensation: Average of highest 3 consecutive years of compensation during participation.

Eligibility for Participation: Later of Age 21 and 12 months of service.

Entry Dates: First day of the Plan Year nearest to eligibility.

Vesting Service: Service with the employer from 01/01/1992

Vesting: Top Heavy schedule - 20% after 2 years service, increasing by 20% per year of additional service.

Emerald Cascade Restaurant Systems, Inc. Defined Benefit Pension Plan

Funding Method and Actuarial Assumptions

Valuation Date: 12/31/2010

Funding Method: Unit Credit Funding Method as prescribed in IRC Sectionn 430.

Funding Assumptions:

Interest Assumption: Segment interest rates for the valuation month.

	---- Segment Term (Years) ----		
	1-5	Next 15	20+
Segment Interest Rates:	3.14%	5.90%	6.45%

Mortality Assumption:	Pre-Retirement	Post-Retirement
Male:	None	2010 Combined Static Mortality (Males)
Setback:	0 Years	0 Years
Female:	None	2010 Combined Static Mortality (Females)
Setback:	0 Years	0 Years
Load:	0.0%	0.0%

Applicable Interest & Mortality:

	---- Segment Term (Years) ----		
	1-5	Next 15	20+
Segment Interest Rates:	3.21%	5.19%	5.67%

	Pre-Retirement	Post-Retirement
Applicable Mortality:	None	2010 Applicable Mortality - Notice 2008-85

Normal Form of Benefit: Life annuity.

Salary Increases: None

Termination from Service: None

Disability: None

Proportion Married at Retirement: Not applicable.

Spouse's Age Difference: Not applicable.

Asset Valuation Method: Fair market value of Assets.