

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

<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information				
<b>1a</b> Name of plan <u>KMI, INC. EMPLOYEE RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan <u>02/01/1996</u></td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ▶	<u>001</u>	<b>1c</b> Effective date of plan <u>02/01/1996</u>	
<b>1b</b> Three-digit plan number (PN) ▶	<u>001</u>				
<b>1c</b> Effective date of plan <u>02/01/1996</u>					
<b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)  <u>KVICHAK MARINE INDUSTRIES, INC.</u>   <u>469 NW BOWDOIN PLACE</u> <u>SEATTLE, WA 98107</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN) <u>91-1393857</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number <u>206-816-6654</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions) <u>336610</u></td> </tr> </table>	<b>2b</b> Employer Identification Number (EIN) <u>91-1393857</u>	<b>2c</b> Sponsor's telephone number <u>206-816-6654</u>	<b>2d</b> Business code (see instructions) <u>336610</u>	
<b>2b</b> Employer Identification Number (EIN) <u>91-1393857</u>					
<b>2c</b> Sponsor's telephone number <u>206-816-6654</u>					
<b>2d</b> Business code (see instructions) <u>336610</u>					

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	<u>10/17/2011</u>	<u>JAMES MECKLEY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)  
v.092307.1

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

KVICHAK MARINE INDUSTRIES, INC.

469 NW BOWDOIN PLACE  
SEATTLE, WA 98107**3b** Administrator's EIN

91-1393857

**3c** Administrator's telephone number

206-816-6654

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

279

**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**

182

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

0

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

63

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

245

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

0

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

245

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

190

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

22

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

2E 2F 2G 2J 2K 2S 2T 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**

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

**b General Schedules**

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

<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2010</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
<b>A</b> Name of plan KMI, INC. EMPLOYEE RETIREMENT PLAN	<b>B</b> Three-digit plan number (PN) <b>►</b> 001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 KVICHAK MARINE INDUSTRIES, INC.	<b>D</b> Employer Identification Number (EIN) 91-1393857

<b>Part I</b>	<b>Service Provider Information (see instructions)</b>
---------------	--

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
FID.INV.INST.OPS.CO.
04-2647786

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

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

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

---

---

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

---

---

---

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

---

---

---

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

---

---

---

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

---

---

---

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

---

---

---

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

---

---

---

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

---

---

---

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

---

**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)

CPA CONSULTING, INC.

91-2015797

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT/AUD ITOR	6983	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	1500	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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

LPL FINANCIAL CORPORATION

95-2834236

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

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

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

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

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

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

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

**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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation		
ALLNZ NFJ SMCP VAL A - BOSTON FINAN	0.25%	
04-2526037		
<b>(a)</b> Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation		
AM CENT HERITAGE A - AMERICAN CENTU	0.25%	
44-0619208		
<b>(a)</b> Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation		
BLK RK ENERGY & RES A - PNC GLOBAL I	0.25%	
04-2871943		

**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
FIDELITY INVESTMENTS INSTITUTIONAL	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.
BLK RK EQUITY DIV A - BNY MELLON INV P.O. BOX 9793 PROVIDENCE, RI 02940		0.25%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
BLK RK HLTH SCI OPS A - BNY MELLON I 760 MOORE ROAD KING OF PRUSSIA, PA 19406		0.25%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
DREYFUS S&P 500 INDX - DREYFUS TRAN		0.15%
13-5673135		



**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
FIDELITY INVESTMENTS INSTITUTIONAL	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.	
JPM INTL VAL A - BOSTON FINANCIAL D  04-2526037	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.	
NB PARTNERS ADVISOR - STATE STREET ONE LINCOLN STREET BOSTON, MA 02111	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.	
PIMCO TOTAL RETURN R - BOSTON FINAN  04-2526037	0.25%	

**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
FIDELITY INVESTMENTS INSTITUTIONAL	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.	
RS PARTNERS A - BOSTON FINANCIAL DA  04-2526037	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL CORPORATION	61	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.	
FA FREEDOM 2010 A - FIDELITY DISTRI  04-2270522	\$1M-<\$4M=1.00% \$4M-<\$25M=0.50% \$25M+=0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL CORPORATION	61	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.	
JPM INTL VAL A - JPMORGAN DISTRIBUT  74-2945358	\$0-<\$4M=1.00% \$4M-<\$10M=0.75% \$10M-<\$50M=0.50% \$50M+=0.25%	

**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

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

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

Explanation:

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

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2010</b>
		<b>This Form is Open to Public Inspection</b>

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
<b>A</b> Name of plan KMI, INC. EMPLOYEE RETIREMENT PLAN	<b>B</b> Three-digit plan number (PN) ►	001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 KVICHAK MARINE INDUSTRIES, INC.	<b>D</b> Employer Identification Number (EIN)  91-1393857	

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. <b>Round off amounts to the nearest dollar.</b> 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
<b>a</b> Total noninterest-bearing cash .....	1a		
<b>b</b> Receivables (less allowance for doubtful accounts):			
(1) Employer contributions .....	1b(1)	5527	0
(2) Participant contributions .....	1b(2)	20400	0
(3) Other.....	1b(3)		
<b>c</b> General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	1c(1)	202155	140773
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred .....	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred .....	1c(4)(A)		
(B) Common .....	1c(4)(B)		
(5) Partnership/joint venture interests .....	1c(5)		
(6) Real estate (other than employer real property) .....	1c(6)		
(7) Loans (other than to participants) .....	1c(7)		
(8) Participant loans .....	1c(8)	43870	70301
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts .....	1c(11)		
(12) Value of interest in 103-12 investment entities .....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	2287224	3308898
(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 .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	2559176	3519972

**Liabilities**

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

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	2559176	3519972
---	-----------	---------	---------

**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
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	134010	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	484138	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		618148
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	21	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	1763	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		1784
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	74290	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		74290
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		334135
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1028357

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	54280	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		54280
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		4874
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	8484	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		8484
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		67638

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		960719
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		77
(2) From this plan .....	<b>2l(2)</b>		

**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: CPA CONSULTING, INC.

(2) EIN: 91-2015797

**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
<b>4a</b> 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>4b</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	
<b>4c</b> 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	
<b>4d</b> 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	
<b>4e</b> Was this plan covered by a fidelity bond?.....	X		195000
<b>4f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>4g</b> 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	
<b>4h</b> 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	
<b>4i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>4j</b> 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	
<b>4k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>4l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>4m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>4n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....		X	

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

- 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)



<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  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).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2010</b>  <b>This Form is Open to Public Inspection.</b>
---	--	--

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

<b>A</b> Name of plan <u>KMI, INC. EMPLOYEE RETIREMENT PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>KVICHAK MARINE INDUSTRIES, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>91-1393857</u>

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

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

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> 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>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (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)
----------------	--

<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> 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.			
<b>6 a</b> Enter the minimum required contribution for this plan year .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> 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).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> 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? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
-----------------	-------------------

<b>9</b> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

<b>Part IV</b>	<b>ESOPs</b> (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.
----------------	---

<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</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.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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 .....	<b>16b</b>	

- 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): \_\_\_\_\_

**KMI, INC.  
EMPLOYEE RETIREMENT PLAN**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES**

**DECEMBER 31, 2010 and 2009**

## **CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS:</b>	
Statement of net assets available for benefits	2
Statement of changes in net assets available for benefits	3
Notes to financial statements	4
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of assets (held for investment at year end)	10

---

# CPA CONSULTING, INC., P.S.

---

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

September 9, 2011

To the Trustees  
KMI, Inc., Employee Retirement Plan  
Seattle, Washington

## Independent Auditors' Report

We were engaged to audit the financial statements of KMI, Inc., Employee Retirement Plan as of December 31, 2010 and 2009, and for the year ended December 31, 2010, and the supplemental schedules as of and for the year ended December 31, 2010 as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the 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 C which was certified by Fidelity Management Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the custodian 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the custodian, 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.

*CPA Consulting Inc PS*

CPA Consulting, Inc., P.S.  
Certified Public Accountants

**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Assets, at Fair Value:</b>		
Registered investment companies	\$ 3,442,186	\$ 2,481,928
Notes receivable from participants	70,301	43,870
Forfeitures	<u>7,484</u>	<u>7,451</u>
<b>Total assets</b>	<b>3,519,971</b>	<b>2,533,249</b>
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ <u>3,519,971</u></b>	<b>\$ <u>2,533,249</u></b>

*See accompanying notes.*

**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Year ended December 31, 2010**

Additions:

Contributions:

Employee	\$ 504,538
Employer	139,537

Investment Income:

Increase in fair value of investments (realized & unrealized)	334,134
Interest on participant loans	1,763
Interest and dividends	74,311

Assets converted/transferred	<u>77</u>
------------------------------	-----------

<b>TOTAL ADDITIONS</b>	<b>1,054,360</b>
------------------------	------------------

Deductions :

Benefits paid to participants	59,154
Fees paid	<u>8,484</u>

<b>TOTAL DEDUCTIONS</b>	<b>67,638</b>
-------------------------	---------------

<b>NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>986,722</b>
--	----------------

**NET ASSETS AVAILABLE FOR BENEFITS:**

<b>BEGINNING OF YEAR</b>	<u><b>2,533,249</b></u>
--------------------------	-------------------------

<b>END OF YEAR</b>	<u><b>\$ 3,519,971</b></u>
--------------------	----------------------------

*See accompanying notes*



**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2010 and 2009**

**NOTE A - DESCRIPTION OF PLAN**

The following description of the KMI, Inc. Employee Retirement Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan covering all employees of the Company working more than 500 hours per year who have one month of service and have reached age twenty. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Assets of the Plan are held by Fidelity Management Trust Company.

**Contributions** - Each year, participants may contribute up to \$16,500 (\$22,000 if over age 50) of pre-tax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a full line of investment options through Fidelity Management Trust Company. The Company match is discretionary. The Company began matching contributions effective January 1, 2007 at a rate of 50% of the employee contribution not to exceed 4% of salary. Employees must be employed on the last day of the plan year to earn a matching contribution. Additional profit sharing amounts may be contributed at the option of the Company's board of directors and are invested in the participant directed accounts at Fidelity Management Trust. Contributions are subject to certain limitations.

**Participant Accounts** - Each participant has an account with Fidelity Management Trust Company. The participant chooses among the various investment options for the deferral and any Company match and Company discretionary contribution.

**Vesting** - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 33% vested for each year of service after the first year.

**Participant Loans** - 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, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25% to 9.5%, which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through regularly scheduled payroll deductions.

**Payment of Benefits** - On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeited Accounts** - At December 31, 2010, forfeited non-vested accounts totaled \$7,484. These accounts will be used to pay Plan expenses.

**Plan Administrative Costs** - The Plan shares administrative costs with the Plan sponsor, Kvichak Marine Industries, Inc.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Date of Management's Review** - Management has evaluated subsequent events through September 9, 2011, the date on which the financial statements were available to be issued.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from those estimates.

**Investment Valuation and Income Recognition** – The Plan's investments are stated at fair value. Should the investment contract be terminated, surrender charges or adjustments could affect the assets available for benefits. Participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a trade-date basis.

**Payment of Benefits**– Benefits are recorded when paid.

## NOTE C - INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets.

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
FA Freedom 2020 A	\$ 641,029	\$ 482,714
FA Freedom 2030 A	465,266	377,708
FA Freedom 2025 A	433,638	400,927
FA Freedom 2040 A	264,486	170,800
FA Freedom 2035A	260,218	189,720
Fidelity Prime Fund	<u>140,773</u>	<u>202,155</u>
Total	\$ <u>2,205,410</u>	\$ <u>1,824,024</u>

Fund values are shown above only in years where they exceed 5% of the Plan's net assets.

**Information prepared and certified by the Trustee** – The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the Custodians, at December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Investments at Fair Value	\$ <u>3,519,971</u>	\$ <u>2,533,249</u>
Total net asset value, end of year	\$ <u>3,519,971</u>	\$ <u>2,533,249</u>
	<u>2010</u>	
Total net asset value, beginning of year	\$ 2,533,249	
Contributions	644,075	
Investment Income	76,151	
Net appreciation in fair value of investments	334,134	
Benefits paid to participants, including fees paid	<u>(67,638)</u>	
Total net asset value, end of year	\$ <u>3,519,971</u>	

## NOTE D - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 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:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. 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.

Registered investment companies: Valued using quoted market prices in an active market.

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
FA Freedom 2020	\$ 641,029	\$ -	\$ -	\$ 641,029
FA Freedom 2030 A	465,266			465,266
FA Freedom 2025 A	433,638			433,638
Balance carried forward	\$ 1,539,933	\$ -	\$ -	\$ 1,539,933

**NOTE D - FAIR VALUE MEASUREMENTS (continued)**

Balance carried forward:	\$ 1,539,933	\$ -	\$ -	\$ 1,539,933
FA Freedom 2040 A	264,486			264,486
FA Freedom 2035A	260,218			260,218
Other investments	<u>1,385,033</u>			<u>1,385,033</u>
Total assets at fair value	<u>\$ 3,449,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,449,670</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
FA Freedom 2020	\$ 482,714	\$ -	\$ -	\$ 482,714
FA Freedom 2025 A	400,927			400,927
FA Freedom 2030 A	377,708			377,708
Fidelity Prime Fund	202,155			202,155
FA Freedom 2035A	189,720			189,720
FA Freedom 2040 A	170,800			170,800
Other investments	<u>665,355</u>			<u>665,355</u>
Total assets at fair value	<u>\$ 2,489,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,489,379</u>

During 2010, the Plan's level 1 investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value by \$334,134 which is reported in the accompanying statement of changes in net assets available for benefits.

**NOTE E - RELATED PARTY TRANSACTIONS**

There are no related party transactions other than normal participation in the plan by employee-owners.

Fidelity Investments received \$1,500 for recordkeeping services. Other Fidelity funds received indirect compensation as specified in Fidelity's agreement with the Plan.

**NOTE F - PLAN TERMINATION**

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

**NOTE G - TAX STATUS**

The Plan operates under the provisions of a prototype plan maintained by Fidelity Management & Research Company (FMRC).

The Internal Revenue Service has determined and informed FMRC by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**NOTE H - 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 statement of net assets available for benefits.

## **SUPPLEMENTAL INFORMATION**

KMI, Inc. Employee Retirement Plan  
 EIN: 91-1393857 Plan Number: 001  
 Schedule of Assets (Held At End of Year)  
 December 31, 2010

(a)*	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value.		(d) Cost**	(e) Current value
*	Fidelity Freedom 2020A	53,419.064	shares	\$	\$ 641,029
*	Fidelity Freedom 2030 A	38,167.805	shares		465,266
*	Fidelity Freedom 2025 A	37,382.599	shares		433,638
*	Fidelity Freedom 2040 A	21,398.533	shares		264,486
*	Fidelity Freedom 2035 A	22,490.726	shares		260,218
*	Fidelity Prime Fund	140,722.760	shares		140,773
*	Fidelity High Income Advantage A	13,109.669	shares		130,179
*	Fidelity Freedom 2015 A	10,395.838	shares		119,448
*	Fidelity Freedom 2050 A	10,864.360	shares		102,777
	American Century Heritage A	4,983.770	shares		101,769
	Black RockEquity Div A	5,724.416	shares		100,292
*	Fidelity Freedom 2045 A	9,934.329	shares		95,469
	Pimco Total Return R	7,257.525	shares		78,744
*	Fidelity Strategic Income A	4,673.038	shares		57,852
	JP Morgan International Value A	4,116.644	shares		54,628
	Dreyfus S&P 500 Index	1,532.482	shares		52,993
*	Fidelity New Insights A	2,491.111	shares		49,723
	Allianz NFJ SMCP Value A	1,734.621	shares		49,506
	BlackRock Energy & Res A	1,062.090	shares		41,740
*	Fidelity International Discovery A	1,262.096	shares		41,460
*	Fidelity Lev Co Stock A	1,121.601	shares		38,594
	BlackRockHealth Science Ops A	1,203.280	shares		34,101
	RS Investment Mngmnt Partners A	886.803	shares		29,344
*	Fidelity Small cap A	939.061	shares		23,674
	Neuberger Berman Partners Advisor	1,296.010	shares		23,652
*	Fidelity Large Cap Value A	662.056	shares		6,933
*	Fidelity Government Income	575.838	shares		6,011
*	Fidelity Freedom 2010 A	291.927	shares		3,368
*	Fidelity Freedom 2005 A	147.816	shares		1,646
*	Fidelity Freedom Inc A	33.529	shares		357
					<hr/> 3,449,670
Notes receivable from Participants		Various 3.25 - 9.5%			70,301
					<hr/> \$ 3,519,971

\* Party in interest

\*\*Cost omitted due to participant directed transactions under individual account plan

**KMI, INC.  
EMPLOYEE RETIREMENT PLAN**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES**

**DECEMBER 31, 2010 and 2009**



## **CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS:</b>	
Statement of net assets available for benefits	2
Statement of changes in net assets available for benefits	3
Notes to financial statements	4
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of assets (held for investment at year end)	10

---

# CPA CONSULTING, INC., P.S.

---

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

September 9, 2011

To the Trustees  
KMI, Inc., Employee Retirement Plan  
Seattle, Washington

## Independent Auditors' Report

We were engaged to audit the financial statements of KMI, Inc., Employee Retirement Plan as of December 31, 2010 and 2009, and for the year ended December 31, 2010, and the supplemental schedules as of and for the year ended December 31, 2010 as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the 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 C which was certified by Fidelity Management Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the custodian 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the custodian, 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.

*CPA Consulting Inc PS*

CPA Consulting, Inc., P.S.  
Certified Public Accountants

**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Assets, at Fair Value:</b>		
Registered investment companies	\$ 3,442,186	\$ 2,481,928
Notes receivable from participants	70,301	43,870
Forfeitures	<u>7,484</u>	<u>7,451</u>
<b>Total assets</b>	<b>3,519,971</b>	<b>2,533,249</b>
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ <u>3,519,971</u></b>	<b>\$ <u>2,533,249</u></b>

*See accompanying notes.*

**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Year ended December 31, 2010**

Additions:

Contributions:

Employee	\$ 504,538
Employer	139,537

Investment Income:

Increase in fair value of investments (realized & unrealized)	334,134
Interest on participant loans	1,763
Interest and dividends	74,311

Assets converted/transferred	<u>77</u>
------------------------------	-----------

<b>TOTAL ADDITIONS</b>	<b>1,054,360</b>
------------------------	------------------

Deductions :

Benefits paid to participants	59,154
Fees paid	<u>8,484</u>

<b>TOTAL DEDUCTIONS</b>	<b>67,638</b>
-------------------------	---------------

<b>NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>986,722</b>
--	----------------

**NET ASSETS AVAILABLE FOR BENEFITS:**

<b>BEGINNING OF YEAR</b>	<u><b>2,533,249</b></u>
--------------------------	-------------------------

<b>END OF YEAR</b>	<u><b>\$ 3,519,971</b></u>
--------------------	----------------------------

*See accompanying notes*

**KMI, INC., EMPLOYEE RETIREMENT PLAN**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2010 and 2009**

**NOTE A - DESCRIPTION OF PLAN**

The following description of the KMI, Inc. Employee Retirement Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan covering all employees of the Company working more than 500 hours per year who have one month of service and have reached age twenty. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Assets of the Plan are held by Fidelity Management Trust Company.

**Contributions** - Each year, participants may contribute up to \$16,500 (\$22,000 if over age 50) of pre-tax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a full line of investment options through Fidelity Management Trust Company. The Company match is discretionary. The Company began matching contributions effective January 1, 2007 at a rate of 50% of the employee contribution not to exceed 4% of salary. Employees must be employed on the last day of the plan year to earn a matching contribution. Additional profit sharing amounts may be contributed at the option of the Company's board of directors and are invested in the participant directed accounts at Fidelity Management Trust. Contributions are subject to certain limitations.

**Participant Accounts** - Each participant has an account with Fidelity Management Trust Company. The participant chooses among the various investment options for the deferral and any Company match and Company discretionary contribution.

**Vesting** - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 33% vested for each year of service after the first year.

**Participant Loans** - 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, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25% to 9.5%, which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through regularly scheduled payroll deductions.

**Payment of Benefits** - On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeited Accounts** - At December 31, 2010, forfeited non-vested accounts totaled \$7,484. These accounts will be used to pay Plan expenses.

**Plan Administrative Costs** - The Plan shares administrative costs with the Plan sponsor, Kvichak Marine Industries, Inc.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Date of Management's Review** - Management has evaluated subsequent events through September 9, 2011, the date on which the financial statements were available to be issued.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from those estimates.

**Investment Valuation and Income Recognition** – The Plan's investments are stated at fair value. Should the investment contract be terminated, surrender charges or adjustments could affect the assets available for benefits. Participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a trade-date basis.

**Payment of Benefits**– Benefits are recorded when paid.

## NOTE C - INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets.

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
FA Freedom 2020 A	\$ 641,029	\$ 482,714
FA Freedom 2030 A	465,266	377,708
FA Freedom 2025 A	433,638	400,927
FA Freedom 2040 A	264,486	170,800
FA Freedom 2035A	260,218	189,720
Fidelity Prime Fund	<u>140,773</u>	<u>202,155</u>
Total	\$ <u>2,205,410</u>	\$ <u>1,824,024</u>

Fund values are shown above only in years where they exceed 5% of the Plan's net assets.

**Information prepared and certified by the Trustee** – The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the Custodians, at December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Investments at Fair Value	\$ <u>3,519,971</u>	\$ <u>2,533,249</u>
Total net asset value, end of year	\$ <u>3,519,971</u>	\$ <u>2,533,249</u>
	<u>2010</u>	
Total net asset value, beginning of year	\$ 2,533,249	
Contributions	644,075	
Investment Income	76,151	
Net appreciation in fair value of investments	334,134	
Benefits paid to participants, including fees paid	<u>(67,638)</u>	
Total net asset value, end of year	\$ <u>3,519,971</u>	

## NOTE D - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 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:

- a. Quoted prices for similar assets or liabilities in active markets,
- b. Quoted prices for identical or similar assets or liabilities in inactive markets,
- c. Inputs other than quoted prices that are observable for the asset or liability,
- d. 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.

Registered investment companies: Valued using quoted market prices in an active market.

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
FA Freedom 2020	\$ 641,029	\$ -	\$ -	\$ 641,029
FA Freedom 2030 A	465,266			465,266
FA Freedom 2025 A	433,638			433,638
Balance carried forward	\$ 1,539,933	\$ -	\$ -	\$ 1,539,933

**NOTE D - FAIR VALUE MEASUREMENTS (continued)**

Balance carried forward:	\$ 1,539,933	\$ -	\$ -	\$ 1,539,933
FA Freedom 2040 A	264,486			264,486
FA Freedom 2035A	260,218			260,218
Other investments	<u>1,385,033</u>			<u>1,385,033</u>
Total assets at fair value	<u>\$ 3,449,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,449,670</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
FA Freedom 2020	\$ 482,714	\$ -	\$ -	\$ 482,714
FA Freedom 2025 A	400,927			400,927
FA Freedom 2030 A	377,708			377,708
Fidelity Prime Fund	202,155			202,155
FA Freedom 2035A	189,720			189,720
FA Freedom 2040 A	170,800			170,800
Other investments	<u>665,355</u>			<u>665,355</u>
Total assets at fair value	<u>\$ 2,489,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,489,379</u>

During 2010, the Plan's level 1 investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value by \$334,134 which is reported in the accompanying statement of changes in net assets available for benefits.

**NOTE E - RELATED PARTY TRANSACTIONS**

There are no related party transactions other than normal participation in the plan by employee-owners.

Fidelity Investments received \$1,500 for recordkeeping services. Other Fidelity funds received indirect compensation as specified in Fidelity's agreement with the Plan.

**NOTE F - PLAN TERMINATION**

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



**NOTE G - TAX STATUS**

The Plan operates under the provisions of a prototype plan maintained by Fidelity Management & Research Company (FMRC).

The Internal Revenue Service has determined and informed FMRC by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**NOTE H - 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 statement of net assets available for benefits.

## **SUPPLEMENTAL INFORMATION**

KMI, Inc. Employee Retirement Plan  
 EIN: 91-1393857 Plan Number: 001  
 Schedule of Assets (Held At End of Year)  
 December 31, 2010

(a)*	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value.		(d) Cost**	(e) Current value
*	Fidelity Freedom 2020A	53,419.064	shares	\$	\$ 641,029
*	Fidelity Freedom 2030 A	38,167.805	shares		465,266
*	Fidelity Freedom 2025 A	37,382.599	shares		433,638
*	Fidelity Freedom 2040 A	21,398.533	shares		264,486
*	Fidelity Freedom 2035 A	22,490.726	shares		260,218
*	Fidelity Prime Fund	140,722.760	shares		140,773
*	Fidelity High Income Advantage A	13,109.669	shares		130,179
*	Fidelity Freedom 2015 A	10,395.838	shares		119,448
*	Fidelity Freedom 2050 A	10,864.360	shares		102,777
	American Century Heritage A	4,983.770	shares		101,769
	Black RockEquity Div A	5,724.416	shares		100,292
*	Fidelity Freedom 2045 A	9,934.329	shares		95,469
	Pimco Total Return R	7,257.525	shares		78,744
*	Fidelity Strategic Income A	4,673.038	shares		57,852
	JP Morgan International Value A	4,116.644	shares		54,628
	Dreyfus S&P 500 Index	1,532.482	shares		52,993
*	Fidelity New Insights A	2,491.111	shares		49,723
	Allianz NFJ SMCP Value A	1,734.621	shares		49,506
	BlackRock Energy & Res A	1,062.090	shares		41,740
*	Fidelity International Discovery A	1,262.096	shares		41,460
*	Fidelity Lev Co Stock A	1,121.601	shares		38,594
	BlackRockHealth Science Ops A	1,203.280	shares		34,101
	RS Investment Mngmnt Partners A	886.803	shares		29,344
*	Fidelity Small cap A	939.061	shares		23,674
	Neuberger Berman Partners Advisor	1,296.010	shares		23,652
*	Fidelity Large Cap Value A	662.056	shares		6,933
*	Fidelity Government Income	575.838	shares		6,011
*	Fidelity Freedom 2010 A	291.927	shares		3,368
*	Fidelity Freedom 2005 A	147.816	shares		1,646
*	Fidelity Freedom Inc A	33.529	shares		357
					3,449,670
Notes receivable from Participants		Various 3.25 - 9.5%			70,301
					\$ 3,519,971

\* Party in interest

\*\*Cost omitted due to participant directed transactions under individual account plan