# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

**2010**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 07/01/1999

**2a** Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

1400 EGBERT STREET
SAN FRANCISCO, CA 94124

**2b** Employer Identification Number (EIN)
94-2926128

**2c** Sponsor's telephone number
415-822-1900

**2d** Business code (see instructions)
541320

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 04/16/2012 | LARRY MCALLISTER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

1400 EGBERT STREET
SAN FRANCISCO, CA 94124

**3b** Administrator's EIN
94-2926128

**3c** Administrator's telephone number
415-822-1900

**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** | 223 |
| **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** | 118 |
| **b** | Retired or separated participants receiving benefits | **6b** | 20 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 90 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 228 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 1 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 229 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 228 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **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:
2I 2O

**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)** | X | 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)** | X | 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)** | X | **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)** | X | **H** (Financial Information) |
| **(2)** | | **I** (Financial Information – Small Plan) |
| **(3)** | | 0 **A** (Insurance Information) |
| **(4)** | X | **C** (Service Provider Information) |
| **(5)** | | **D** (DFE/Participating Plan Information) |
| **(6)** | | **G** (Financial Transaction Schedules) |

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

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

**A** Name of plan
FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

**D** Employer Identification Number (EIN)
94-2926128

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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**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)

MERRILL LYNCH

1331 N CALIFORNIA BLVD
STE 700
WALNUT CREEK, CA 94596

13-5674085

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 19 | NONE | 9731 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

**A** Name of plan
FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

**D** Employer Identification Number (EIN)
94-2926128

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 500000 | 151382 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 775 | 775 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 817761 | 77143 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 899856 | 59487 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 2192841 | 5442029 |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 4411233 | 5730816 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 98186 | 16767 |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | 966540 |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 98186 | 983307 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 4313047 | 4747509 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 176382 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 176382 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 101 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 101 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | | (a) Amount | (b) Total |
|---|---|---|---|---|
| 2b | (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| | (B) Other | 2b(5)(B) | 282372 | |
| | (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 282372 |
| | (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| | (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| | (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| | (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| | (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 63229 |
| c | Other income | 2c | | |
| d | Total income. Add all **income** amounts in column (b) and enter total | 2d | | 522084 |
| | **Expenses** | | | |
| e | Benefit payment and payments to provide benefits: | | | |
| | (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 77791 | |
| | (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| | (3) Other | 2e(3) | | |
| | (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 77791 |
| f | Corrective distributions (see instructions) | 2f | | |
| g | Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h | Interest expense | 2h | | |
| i | Administrative expenses: (1) Professional fees | 2i(1) | | |
| | (2) Contract administrator fees | 2i(2) | | |
| | (3) Investment advisory and management fees | 2i(3) | | |
| | (4) Other | 2i(4) | 9831 | |
| | (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 9831 |
| j | Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 87622 |
| | **Net Income and Reconciliation** | | | |
| k | Net income (loss). Subtract line 2j from line 2d | 2k | | 434462 |
| l | Transfers of assets: | | | |
| | (1) To this plan | 2l(1) | | |
| | (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** [X] 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 [X] No

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

**(1)** Name: BBR LLP **(2)** EIN: 94-2824470

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 460000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

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

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

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

**A** Name of plan
FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

**D** Employer Identification Number (EIN)
94-2926128

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 32-0201625

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

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

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

## 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):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

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

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

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

BBR LLP Certified Public Accountants

# FRANK & GROSSMAN

*LANDSCAPE CONTRACTORS, INC.*



# EMPLOYEE STOCK OWNERSHIP PLAN

## FINANCIAL STATEMENTS
## FOR THE YEARS ENDED JUNE 30, 2011 AND 2010
## WITH INDEPENDENT AUDITOR'S REPORT

1340 Treat Boulevard • Suite 525 • Walnut Creek, California 94597-7984 • Tel 925.954.0100 • Fax 925.954.1068 • www.bbrcpa.com
**Walnut Creek • Carmel**

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

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BBR LLP Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Frank & Grossman Employee Stock Ownership Plan
San Francisco, California

We have audited the accompanying statements of net assets available for benefits of Frank & Grossman Employee Stock Ownership Plan as of June 30, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended June 30, 2011. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Frank & Grossman Employee Stock Ownership Plan as of June 30, 2011 and 2010, and the changes in net assets available for benefits for the year ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year and the schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BBR LLP

BBR LLP
Walnut Creek, California
April 12, 2012



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**Walnut Creek • Carmel**

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

## JUNE 30, 2011 AND 2010

(See notes to financial statements)

### ASSETS

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | Allocated | Unallocated | Total | Allocated | Unallocated | Total |
| **ASSETS** | | | | | | |
| Cash | $ 135,983 | $ - | $ 135,983 | $ 732,893 | $ - | $ 732,893 |
| Investment in company stock | 4,425,772 | 1,016,257 | 5,442,029 | 2,192,841 | - | 2,192,841 |
| Other investments | 648 | - | 648 | 899,856 | - | 899,856 |
| Employer contribution receivable | - | 152,157 | 152,157 | - | 500,000 | 500,000 |
| Other receivable | - | - | - | - | 775 | 775 |
| Total assets | $ 4,562,403 | $ 1,168,414 | $ 5,730,817 | $ 3,825,590 | $ 500,775 | $ 4,326,365 |

### LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS

| | | | | | | |
|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | |
| Notes payable | $ - | $ 966,540 | $ 966,540 | $ - | $ - | $ - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | 4,562,403 | 201,874 | 4,764,277 | 3,825,590 | 500,775 | 4,326,365 |
| Total liabilities and net assets available for benefits | $ 4,562,403 | $ 1,168,414 | $ 5,730,817 | $ 3,825,590 | $ 500,775 | $ 4,326,365 |

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## FOR THE YEAR ENDED JUNE 30, 2011

(See notes to financial statements)

| | Allocated | Unallocated | Total |
|---|---|---|---|
| **ADDITIONS TO NET ASSETS ATTRIBUTABLE TO** | | | |
| Investment income | | | |
| Net unrealized appreciation in market value of investment in company stock | $ 232,655 | $ 49,717 | $ 282,372 |
| Net realized gain on investments | 53,739 | - | 53,739 |
| Interest | 9,591 | - | 9,591 |
| | 295,985 | 49,717 | 345,702 |
| Employer contribution | 25,000 | 151,382 | 176,382 |
| Total additions | 320,985 | 201,099 | 522,084 |
| **DEDUCTIONS FROM NET ASSETS ATTRIBUTABLE TO** | | | |
| Distributions to participants | 74,340 | - | 74,340 |
| Bank service charge | 9,832 | - | 9,832 |
| Total deductions | 84,172 | - | 84,172 |
| **NET INCREASE** | 236,813 | 201,099 | 437,912 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | | | |
| Beginning of year | 3,825,590 | 500,775 | 4,326,365 |
| Allocation of prior year employer contribution receivable | 500,000 | (500,000) | - |
| End of year | $ 4,562,403 | $ 201,874 | $ 4,764,277 |

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN
## NOTES TO FINANCIAL STATEMENTS

### DESCRIPTION OF PLAN

The following description of the Frank & Grossman Employee Stock Ownership Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The purpose of the Plan is to enable participating employees to share in the growth and prosperity of Frank & Grossman Landscape Contractors, Inc. (Company) and to provide participants with an opportunity to accumulate capital for their future economic security. The Plan is intended to do this without any deductions from participants' paychecks and without requiring them to invest their personal savings. The primary purpose of the Plan is to enable participants to acquire stock ownership interests in the Company. Therefore, a trust (Trust) was established under the Plan designed to hold the Plan assets and invest primarily in Company stock.

The Company adopted the Plan effective July 1,1999. The Plan is administered by a Board of Trustees and the Company for the exclusive benefit of its participants and their beneficiaries. The Board of Trustees is appointed by the Company's Board of Directors.

**Eligibility** – Employees of the Company are generally eligible to participate in the Plan after attaining age 21 and after one year of service as defined by at least 1,000 hours of service during the Plan year. Participants who do not have at least 1,000 hours of service during the Plan year or are not employed on the last working day of the Plan year are generally not eligible for an allocation of Company's contribution. Employees whose terms of service are covered by a collective bargaining agreement shall not be eligible to participate in the Plan unless the terms of such agreement specifically provide for participation in the Plan.

**Payment of benefits** – No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives) or otherwise terminates employment with the Company and its participating subsidiaries. Benefits are paid in substantially equal, annual installments over a five year period. Benefits requested and processed but not paid as of June 30, 2011 and 2010 was $16,668 and $13,318. The fair value of distributions due to separated participants that will be paid over the next five years approximated $425,000 at June 30, 2011.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. There were no participant shares repurchased by the Company during 2011 and 2010. The Plan may redeem participant shares for cash and reallocate the shares to the remaining Plan participants. During 2011 and 2010 the Plan redeemed and reallocated 127.6139 and 278.5911 shares, respectively.

**Voting rights** – Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by a member of the Board of Trustees prior to the time that such rights are to be exercised. Any allocated shares of Company stock with respect to which voting instructions are not received from participants or beneficiaries and any shares of Company stock held by the Plan which are not then allocated to participants' Company stock accounts shall be voted in the manner determined by a trustee.

**DESCRIPTION OF PLAN** *(continued)*

**Participant accounts** – The Plan is a defined contribution plan under which two separate accounts are established for each participant. One account is referred to as the Company stock account; the other account is referred to as the other investments account.

The Company stock account is increased annually by the following (if any): (1) participant's share of Company stock contributed to the Plan, (2) participant's share of Company stock purchased by the Plan, (3) participant's share of Company stock forfeited by participants who terminate their employment without being 100% vested and (4) any stock dividends on shares allocated to the participant's Company stock account.

The other investments account is increased annually by the following (if any): (1) participant's share of contribution in cash that is not used to acquire Company stock, (2) participant's share of other investments account balances forfeited by participants who terminate their employment without being 100% vested, (3) participant's share of any net income of the Plan and (4) any cash dividends on Company stock in the participant's Company stock account (other than currently distributed dividends). The participant's other investments account will be decreased annually by the following (if any): (1) participant's share of the cost of Company stock purchased by the Plan and (2) participant's share of any net loss of the Plan.

Only those participants who are eligible employees of the Company on the allocation date will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

**Vesting** – If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Participants vest 20 percent after the first two years of service, then 20 percent per year of service subsequent to the first two years and are 100 percent vested after six years of service.

**Put option** – Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

**Diversification** – Diversification is offered to participants close to retirement so that they may have the opportunity to move a portion of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their accounts. If the participant elects to diversify, the Company may either (1) distribute to the participant in cash or shares of Company stock, or both (as determined by the Company), the portion of the participant's Company stock account the participant elects to diversify or (2) transfer to the Plan a cash amount representing the portion of the participant's Company stock account elected to be diversified.

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN
## NOTES TO FINANCIAL STATEMENTS

### SIGNIFICANT ACCOUNTING POLICIES

**Forfeitures** – Forfeitures of terminated non-vested account balances are allocated to remaining participants. During the years ended June 30, 2011 and 2010 forfeitures totaled $2,323 and $16,208, respectively.

**Basis of accounting** – The financial statements of the Plan are prepared using the accrual method of accounting.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Cash** – Cash includes bank checking accounting and money fund investment accounts. Cash on deposit occasionally exceeds federally insured limits. The Plan has not experienced any losses in these accounts and believes they are not exposed to any significant credit risk with respect to cash.

**Investment valuation and income recognition** – Investments with readily determinable fair values are carried at fair value based on quoted market prices as of the last trading date of the year. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are calculated on a cost basis. Dividend and interest income are accrued when earned. The common shares of the Company are carried at fair value as determined by annual independent appraisals.

For Form 5500 reporting, the Plan calculates realized gains and losses as the increase or decrease in the value of investments sold since the beginning of the plan year if held on the first day of the plan year, or acquisition date for investments purchased during the plan year.

**Financial instruments** – Financial instruments included in the Plan's statements of net assets available for benefits include cash, investment in company stock, other investments, employer contribution receivable, other receivable and notes payable. For cash, employer contribution receivable, other receivable and notes payable, the carrying amounts represent a reasonable estimate of the corresponding fair values. Investment in company stock and other investments are reflected in the accompanying statements of net assets available for benefits at their estimated fair values using methodologies described below.

**Fair value measurements** – Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

The three-level hierarchy for fair value measurements is defined as follows.

***Level 1*** – Valuation is based on observable inputs using quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

***Level 2*** – Valuation is based on inputs from sources other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. This may include quoted prices for similar assets in an active market, quoted prices for similar assets in a market that is not active, or valuation methods using models, interest rates and yield curves as observable inputs.

***Level 3*** – Valuation is based on unobservable inputs for the assets or liabilities, reflecting the Plan's assumptions that a market participant would use in pricing the asset or liability, to the extent that observable inputs (Levels 1 and 2) are not available. Level 3 assets and liabilities include situations where there is little or no market activity for the assets or liabilities, and significant management judgment or estimates are required.

Other investments consists of mutual funds and certificates of deposit and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker dealer quotations or alternative pricing sources with reasonable levels of price transparency. Investment in company stock is classified within Level 3 of the fair value hierarchy because it is valued by an independent appraiser which utilizes unobservable inputs to determine fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

While the Plan believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such assets and liabilities existed, or had such assets and liabilities been liquidated, and these differences could be material to the financial statements.

| | Quantitative Information about Level 3 Fair Value Measurements | | |
|---|---|---|---|
| **June 30, 2011** | **Valuation Techniques** | **Unobservable Input** | **Estimate** |
| Company common stock | Market comparables | EBITDA multiple | 5.88 |
| | | Revenue multiple | 0.37 |
| | | Discount for lack of marketability | 23% |

| | Quantitative Information about Level 3 Fair Value Measurements | | |
|---|---|---|---|
| **June 30, 2010** | **Valuation Techniques** | **Unobservable Input** | **Estimate** |
| Company common stock | Market comparables | EBITDA multiple | 5.23 |
| | | Revenue multiple | 0.34 |
| | | Discount for lack of marketability | 25% |

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Employer contributions** – Employer contributions are held and managed by the trustees, which invest cash received and interest and dividend income as well as make distributions to participants. Employer contributions shall be paid to the trustees for each Plan year in such amount (or under such formula) as may be determined by the Board of Directors.

**Operating expenses** – Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee fees, if any, and other administrative expenses of maintaining the Plan are paid directly by the Company.

## INVESTMENTS AND FAIR VALUE DISCLOSURES

The following tables present the fair value of investments on the accompanying statements of financial position at June 30 by fair value hierarchy.

| | 2011 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Company common stock | $ - | $ - | $ 5,442,029 | $ 5,442,029 |
| Mutual funds | 648 | - | - | 648 |
| | $ 648 | $ - | $ 5,442,029 | $ 5,442,677 |

| | 2010 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Company common stock | $ - | $ - | $ 2,192,841 | $ 2,192,841 |
| Mutual funds | 723,117 | - | - | 723,117 |
| Certificates of deposit | 176,739 | - | - | 176,739 |
| | $ 899,856 | $ - | $ 2,192,841 | $ 3,092,697 |

The following presents investments that represent 5 percent or more of the Plan's assets as of June 30.

| | 2011 | 2010 |
|---|---|---|
| Company common stock | $ 5,442,029 | $ 2,192,841 |

**INVESTMENTS AND FAIR VALUE DISCLOSURES** *(continued)*

The Plan's investment in company stock at June 30, 2011 and 2010 are as follows

| | 2011 | | 2010 | |
|---|---|---|---|---|
| | Allocated | Unallocated | Allocated | Unallocated |
| Number of Shares | 9,459 | 2,172 | 4,965 | - |
| Fair Value | $ 4,425,772 | $ 1,016,257 | $ 2,192,841 | $ - |

**NOTES PAYABLE**

On June 16, 2011, the Plan issued notes for the purchase of 2,172 shares of common stock of Company at a price of $445 per share which bear interest at 8% and are payable in equal monthly installments over a five-year period. Unallocated shares are collateral for the notes and are guaranteed by the Company. The fair value of the notes payable was $966,540 using interest rates currently available for issuance of debt with similar terms, maturity dates, and non performance risk.

Scheduled maturities for these obligations are as follows.

| | |
|---|---|
| 2012 | $ 163,771 |
| 2013 | 177,364 |
| 2014 | 192,085 |
| 2015 | 208,028 |
| 2016 | 225,292 |
| | $ 966,540 |

**TAX STATUS**

The Internal Revenue Service has determined and informed the Company by letter dated June 1, 2001 that the Plan and related Trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator and the Plan's counsel believe the Plan was qualified and the related Trust was tax-exempt as of the financial statement date.

**PARTY-IN-INTEREST TRANSACTIONS**

The Plan invests in Company common stock. Accordingly, these transactions qualify as party-in-interest transactions. Plan management believes that transactions related to such investments during the normal course of business qualify as exempt party-in-interest transactions.

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN
## NOTES TO FINANCIAL STATEMENTS

### PLAN TERMINATION

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. If the Plan is terminated, all employees affected by the termination will become fully vested in their account balances unless the Plan is replaced by contributions to a comparable plan. If the Plan is terminated, the Company will decide whether benefits will be distributed immediately or whether distribution of benefits will be deferred until a later date.

### RECONCILIATION OF FINANCIAL STATEMENTS TO REGULATORY FILING

A reconciliation of net assets available for benefits per financial statements, at June 30, to Department of Labor Form 5500 follows.

| | 2011 | 2010 |
|---|---|---|
| Net assets available for benefits per financial statements | $ 4,764,277 | $ 4,326,365 |
| Benefits payable | (16,768) | (13,318) |
| Net assets available for benefits per Form 5500 | $ 4,747,509 | $ 4,313,047 |

| | |
|---|---|
| Net increase in net assets per financial statements | $ 437,912 |
| Change in benefits payable | (3,450) |
| Net increase in net assets per Form 5500 | $ 434,462 |

### SUBSEQUENT EVENTS

The Plan has evaluated subsequent events for potential recognition and/or disclosure through April 12, 2012, the date which the financial statements were available to be issued. No such events exist.

# SUPPLEMENTARY INFORMATION

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

## SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

**AS OF JUNE 30, 2011**

**PLAN NO: 002**

**EIN: 94-2697489**

| (a) | (b) Identity | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| * | Frank & Grossman Landscape Contractors, Inc. | Common shares | $ 5,442,029 |
| | Loomis, Sayles & Company | Institutional bond fund | 648 |
| | | | $ 5,442,677 |

* Denotes party-in-interest asset

# FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

## SCHEDULE OF REPORTABLE TRANSACTIONS

## AS OF JUNE 30, 2011

## PLAN NO: 002

## EIN: 94-2697489

| (a) Identity of Party Involved | (b) Description of Asset | (c) Purchase Price | (d) Leveraged Purchase | (e) Number of Shares | (f) Leveraged Purchase | (g) Share Price |
|---|---|---|---|---|---|---|
| Company officers | Company stock | $ 2,966,815 | $ 966,540 | 6,667 | 2,172 | $ 445 |

# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

**2010**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 07/01/1999

**2a** Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

1400 EGBERT STREET

SAN FRANCISCO CA 94124

**2b** Employer Identification Number (EIN)
94-2926128

**2c** Sponsor's telephone number
415-822-1900

**2d** Business code (see instructions)
541320

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

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

| | | | |
|---|---|---|---|
| SIGN HERE | Larry McAllister | 4-13-12 | LARRY MCALLISTER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
FRANK AND GROSSMAN LANDSCAPE CONTRACTORS, INC.

1400 EGBERT STREET

SAN FRANCISCO CA 94124

**3b** Administrator's EIN
94-2926128

**3c** Administrator's telephone number
415-822-1900

**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** | 223 |
| **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** | 118 |
| **b** | Retired or separated participants receiving benefits | **6b** | 20 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 90 |
| **d** | Subtotal. Add lines **6a, 6b,** and **6c** | **6d** | 228 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 1 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 229 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 228 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **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:
2I 2O

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

## Schedule H, Line 4i
## Schedule of Assets (Held At End of Year)

Name of Plan:

► FRANK & GROSSMAN EMPLOYEE STOCK OWNERSHIP PLAN

Employer Identification Number:► 94-2926128

For plan year (beginning/ending):► 06-31-2011 Plan number:► 002

| (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 |
|---|---|---|---|---|
| X | FRANK & GROSSMAN | 11,631.0000 SHARES OF COMMON STOCK @467.89 PER SHARE | 3,891,102 | 5,442,029 |
| | FIRST REPUBLIC BANK | INTEREST CHECKING ACCOUNT | 77,143 | 77,143 |
| | MERRILL LYNCH | CASH BIF MONEY FUND | 58,840 | 58,840 |
| | LOOMIS SAYLES | BOND FD INSTL CL | 648 | 648 |
| | | | | |
| | | | | |
| | | | |