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 11/01/2010 and ending 10/31/2011

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:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1985

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
DESCO INDUSTRIES, INC.

3651 WALNUT AVENUE
CHINO, CA 91710

2b Employer Identification Number (EIN) 95-3368148

2c Sponsor's telephone number 909-627-8178

2d Business code (see instructions) 335900

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.	05/23/2012	SANDY STAUP
	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")
DESCO INDUSTRIES, INC.

3651 WALNUT AVENUE
CHINO, CA 91710

3b Administrator's EIN
95-3368148

3c Administrator's telephone number
909-627-8178

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**	213
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**	37
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	219
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	219
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	216
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
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 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)	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 (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 11/01/2010 and ending 10/31/2011

A Name of plan
DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DESCO INDUSTRIES, INC.

D Employer Identification Number (EIN)
95-3368148

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	76705	64493
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	20584	18930
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	985898	1270133
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	1071267	1122074
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	6799169	7324859
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	611007	568567
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	958054	641547
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	10522684	11010603
Liabilities			
g Benefit claims payable	1g	0	24488
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	24488
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	10522684	10986115

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)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	207657	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	57176	
(F) Other	2b(1)(F)	25	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		264858
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(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)	336567	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		336567

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		601425
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	137994	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		137994
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		137994
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		463431
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: WRIGHT FORD YOUNG & CO (2) EIN: 95-3288054

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		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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			
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 11/01/2010 and ending 10/31/2011

A Name of plan
DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DESCO INDUSTRIES, INC.

D Employer Identification Number (EIN)
95-3368148

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): 95-4482304

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):

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

FINANCIAL STATEMENTS

OCTOBER 31, 2011 AND 2010

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

INDEX TO

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

OCTOBER 31, 2011 AND 2010

Independent Auditors' Report 1

Financial Statements:

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Statement of Changes in Net Assets Available for Benefits for the year ended October 31, 2011 3

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Wright Ford Young & Co.

Certified Public Accountants and Consultants, Inc.

INDEPENDENT AUDITORS' REPORT

May 4, 2012

To the Participants and Administrator of the
Desco Industries, Inc. Profit Sharing Plan:

We were engaged to audit the financial statements and supplemental schedules of the Desco Industries, Inc. Profit Sharing Plan (the Plan) as of October 31, 2011 and 2010, and for the year ended October 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor 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 4, which was certified by City National Bank, the custodian of the Plan, except for comparing such 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 October 31, 2011 and 2010, and for the year ended October 31, 2011, 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 supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, has 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Wright Ford Young & Co.

WRIGHT FORD YOUNG & CO.

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DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

OCTOBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Investments, at fair value:		
U.S. government securities	$ 1,029,919	$ 893,499
Corporate bonds	1,188,164	1,163,666
Common stocks	7,324,859	6,799,169
Registered investment companies	400,799	847,006
Other bonds	174,124	-
Cash equivalents	240,748	111,048
Total investments	10,358,613	9,814,388
Receivables:		
Notes receivable from participants	568,567	611,007
Participant loan payments receivable	18,930	20,584
Total receivables	587,497	631,591
Non-interest bearing cash	64,493	76,705
Total assets	11,010,603	10,522,684
LIABILITIES - tax withholding payable	24,488	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 10,986,115	$ 10,522,684

See independent auditors' report and notes to financial statements.

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED OCTOBER 31, 2011

Additions to net assets:	
Investment earnings:	
Net appreciation in fair value of investments	$ 336,567
Interest and dividends	207,657
Total investment earnings	544,224
Interest income on notes receivable from participants	57,176
Other income	25
Total additions	601,425
Deductions from net assets:	
Benefit payments	137,994
Total deductions	137,994
NET INCREASE	463,431
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	10,522,684
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 10,986,115

See independent auditors' report and notes to financial statements.

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2011 AND 2010

1. DESCRIPTION OF PLAN

The following description of the Desco Industries, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Desco Industries, Inc. (the Company) who have attained the age of 20 ½ years and have completed six months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Administration

The Plan is administered by the Company.

Contributions

Each year, the Company determines the amount to be contributed to the Plan. Contributions are discretionary and can be made out of current or accumulated net income of the Company, subject to certain limitations of Section 404 of the Internal Revenue Service Code (IRC) of 1986, as amended. There were no Company contributions for the year ended October 31, 2011. Participant contributions are not permitted under the Plan.

Participant Accounts

Each participant's account is credited with an allocation of (a) the Company's contributions, (b) Plan earnings, and (c) forfeitures of terminated participants' nonvested accounts. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

On termination of service due to death, disability, retirement, or any other reason, a participant shall receive the value of the vested interest in his or her account as a single lump-sum distribution. Distribution upon the death of a participant shall be made pursuant to the election of the participant or beneficiary, subject to the provisions of the plan documents.

1. DESCRIPTION OF PLAN – (Continued)

Vesting

Vesting in the Company's discretionary profit sharing contributions plus earnings thereon is based on years of service according to the following schedule:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Forfeitures

The unvested portion of a terminated participant's account will be forfeited and reallocated among participants eligible to share in the reallocation. Forfeitures of $19,083 were reallocated during the year ended October 31, 2011.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance. Participants may borrow from their fund accounts a maximum amount equal to the lesser of $50,000 or 50 percent of their vested account balance. Loan terms range from 1 to 5 years, or within a reasonable period of time that is longer than 5 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the rate of 10 percent. Principal and interest is paid ratably through payroll deductions and/or supplementary payments by participants. Delinquent participant loans are reclassified as distributions based on the terms of the plan agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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 net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 10 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Cash Equivalents

The Plan considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Payment of Benefits

Benefits are recorded when paid.

Plan Fees and Administrative Expenses

Plan fees and administrative expenses are generally paid by the Company.

Subsequent Events

The Company has evaluated subsequent events through the date of the independent auditors' report, which is the date the accompanying financial statements were available to be issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

New Accounting Pronouncements

In September 2010, the FASB issued guidance which requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and to be classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. This guidance is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. The adoption of this guidance did not have a material effect on the Plan's net assets available for benefits or the changes in net assets available for benefits. Participant loans have been reclassified to notes receivable from participants as of October 31, 2010.

3. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate or amend the Plan at any time, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

4. INFORMATION CERTIFIED BY THE PLAN'S CUSTODIAN

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the custodian of the Plan, City National Bank, has certified to the completeness and accuracy of the following information which is included in the financial statements and supplemental schedule of assets (held at end of year) as of October 31, 2011 and 2010, and for the year ended October 31, 2011.

	2011	2010
U.S. government securities	$ 1,029,919	$ 893,499
Corporate bonds	1,188,164	1,163,666
Common stocks	7,324,859	6,799,169
Registered investment companies	400,799	847,006
Other bonds	174,124	-
Cash equivalents	240,748	111,048
Net appreciation in fair value of investments	336,567	n/a
Interest and dividends	207,657	n/a

5. INVESTMENTS

The following table presents investments that represent 5 percent or more of the Plan's net assets as of October 31, 2010:

Vanguard Small Cap ETF	$ 770,900

During the year ended October 31, 2011, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by $336,567 as follows:

U.S. government securities and other bonds	$ 18,197
Corporate bonds	(22,024)
Common stocks	302,659
Registered investment companies	37,735
	$ 336,567

6. NON-PARTICIPANT DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments are as follows:

	October 31, 2011	2010
Assets:		
Investments, at fair value:		
Non-interest bearing cash	$ 64,493	$ 76,705
U.S. government securities	1,029,919	893,499
Corporate bonds	1,188,164	1,163,666
Common stocks	7,324,859	6,799,169
Registered investment companies	400,799	847,006
Other bonds	174,124	-
Cash equivalents	240,748	111,048
Liabilities	(24,488)	-
Net Assets	$10,398,618	$9,891,093

6. NON-PARTICIPANT DIRECTED INVESTMENTS – (Continued)

	Year Ended October 31, 2011
Changes In Net Assets:	
Net appreciation in fair value of investments	$ 336,567
Interest, dividends and other income	207,682
Loan interest reinvested	57,176
Change in participant loans and accrued interest	44,094
Benefit payments	(137,994)
	$ 507,525

7. PARTY-IN-INTEREST TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. During 2011 and 2010, certain Plan investments were managed by City National Bank, the custodian of the Plan. The Plan issues loans to participants, which are secured by the balances in the participants' accounts. The Company paid certain administrative expenses of the Plan, including recordkeeping and audit fees. These transactions qualify as party in interest transactions for which a statutory exemption exists.

8. TAX STATUS

The Company adopted a Standardized Prototype Profit Plan which received its latest determination letter dated August 7, 2001, in which the Internal Revenue Service (IRS) stated that the Plan, as designed, is in compliance with the applicable requirements of the IRC. The Plan has since been amended and restated most recently to include the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of October 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. RISKS AND UNCERTAINTIES

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

10. FAIR VALUE MEASUREMENTS

FASB ASC 820 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 lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

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

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

10. FAIR VALUE MEASUREMENTS – (Continued)

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 October 31, 2011 and 2010.

Common stocks, corporate bonds, other bonds and U.S government securities: These investments are public investment vehicles valued daily at the closing price reported on an active market using observable inputs. The closing price of these securities provided by the custodian is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Registered investment companies: These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Although the methods above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values, the Plan believes its valuation methods are appropriate and consistent with other market participants and that 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.

10. FAIR VALUE MEASUREMENTS – (Continued)

The following fair value hierarchy table presents information about the Plan's investments measured at fair value on a recurring basis as of October 31, 2011 and 2010:

Description	Total	Level 1	Level 2	Level 3
October 31, 2011				
US government securities	$ 1,029,919	$ 1,029,919	$ -	$ -
Corporate bonds	1,188,164	1,188,164	-	-
Common stocks:				
Consumer	1,502,187	1,502,187	-	-
Energy	1,170,497	1,170,497	-	-
Financial	1,045,833	1,045,833	-	-
Healthcare	839,562	839,562	-	-
Industrials	958,474	958,474	-	-
Technology	1,808,306	1,808,306	-	-
Registered investment companies	400,799	400,799	-	-
Other bonds	174,124	174,124		
Cash equivalents	240,748	240,748	-	-
Total	$ 10,358,613	$ 10,358,613	$ -	$ -
October 31, 2010				
US government securities	$ 893,499	$ 893,499	$ -	$ -
Corporate bonds	1,163,666	1,163,666	-	-
Common stocks:			-	-
Consumer	1,541,072	1,541,072		
Energy	798,023	798,023		
Financial	1,075,832	1,075,832		
Healthcare	504,297	504,297		
Industrials	1,449,413	1,449,413		
Technology	1,430,531	1,430,531		
Registered investment companies	847,006	847,006	-	-
Cash equivalents	111,048	111,048	-	-
Total	$ 9,814,388	$ 9,814,388	$ -	$ -

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

PLAN FEIN#: 95-3368148

PLAN #: 001

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

OCTOBER 31, 2011

(a)	(b) Identity	(c) Description of investment	(d) Cost	(e) Current value
	FFCB	75,000.00, 0.600%, 8/1/13	75,000	$ 75,089
	FFCB	115,000.00, 5.125%, 8/25/16	126,012	135,792
	FHLB	20,000.00, 5.500%, 8/13/14	20,131	22,666
	Federal Home Loan Mortgage Corp	50,000.00, 3.750%, 3/27/19	49,452	56,191
	Federal Home Loan Mortgage Corp CMO R009 AJ	8,101.74, 5.75%, 12/15/18	8,207	8,317
	FNMA	70,000.00, 0.700%, 9/19/14	70,000	69,754
	FNMA	45,000.00, 4.875%, 12/15/16	50,693	52,736
	FNMA	80,000.00, 5.375%, 6/12/17	88,900	96,254
	FNMA	50,000.00, 4.375%, 10/15/15	55,069	56,509
	US Treasury Bonds	50,000.00, 0.750%, 9/15/13	49,949	50,457
	US Treasury Bonds	30,000.00, 1.375%, 10/15/12	30,472	30,346
	US Treasury Bonds	55,000.00, 2.625%, 8/15/20	54,410	57,866
	US Treasury Bonds	40,000.00, 3.375%, 11/15/19	40,913	44,684
	US Treasury Bonds	120,000.00, 3.875%, 5/15/18	121,343	138,066
	US Treasury Bonds	50,000.00, 4.25%, 11/15/17	55,295	58,547
	US Treasury Bonds	65,000.00, 4.500%, 5/15/17	63,535	76,644
		Total U.S. Government Securities		$ 1,029,919
	Alabama Power Co.	30,000, 4.850%, 12/15/12	31,836	$ 31,309
	American Express	25,000, 2.800%, 9/19/16	24,979	25,388
	American Electric Power SR NT	15,000, 5.25%, 6/1/15	15,788	16,452
	Anheuser-Busch	20,000, 5.375%, 11/15/14	22,514	22,501
	Archrer Daniels Mid	47,000, 7.125%, 3/1/13	48,215	50,701
	AT&T Inc.	40,000, 2.400%, 8/15/16	39,869	40,892
	Bank of America NA	30,000, 5.300%, 3/15/17	29,374	28,689
	Bottling Group LLC	10,000, 4.625%, 11/15/12	10,356	10,421
	CBS Corp	20,000, 8.875%, 5/15/19	25,300	25,842
	Cisco Systems Note	30,000, 5.5%, 2/22/16	31,456	34,805
	CitiBank	65,957, 1.750%, 12/28/12	65,957	66,090
	Credit Suisse First Boston USA Inc	50,000,5.5%, 8/15/13	50,767	52,713
	CVS Caremark Corp	20,000, 6.125%, 8/15/16	22,925	23,436
	Dell, Inc.	35,000, 5.875%, 6/15/19	40,272	40,832
	Dow Chemical Co	20,000, 4.250%, 11/15/20	19,737	20,567
	GE Capital Corp Mtn	45,000, 6.000%, 6/15/12	46,091	46,439
	Goldman Sachs Group	200,000, 0.00%, 5/7/13	200,000	156,980
	Goldman Sachs Group	50,000, 0.0%, 5/7/13	50,000	39,603
	Goldman Sachs Group	20,000, 5.625%, 1/15/17	18,945	20,713
	Hewlett Packard Co.	30,000, 4.750%, 6/2/14	31,607	32,326
	Jefferies Group Inc.	20,000, 8.5%, 7/15/19	21,948	21,543
	JP Morgan Chase Bank	40,000, 6.0%, 10/1/17	43,250	43,082
	Kimco Realty Corp.	20,000, 6.875%, 1/1/19	21,382	22,881
	Merrill Lynch & Co.	5,000, 6.05%, 5/16/16	3,938	4,922
	Met Life Inc.	30,000, 7.71%, 2/15/19	31,795	37,619
	Morgan Stanley	45,000, 5.5%, 1/26/20	43,664	44,339
	Nomura Holdings	20,000, 4.125%, 1/19/16	19,858	20,203
	Barclays Bank	75,000, 4.5%, 3/10/17	74,179	70,125

See independent auditors' report and notes to financial statements.

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

PLAN FEIN#: 95-3368148

PLAN #: 001

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

OCTOBER 31, 2011

(a)	(b) Identity	(c) Description of investment	(d) Cost	(e) Current value
	Royal Bank Scotland	50,000, 5.050%, 1/8/15	46,312	45,989
	Symantec Corp	25,000, 2.75%, 9/15/15	24,265	25,266
	Target Corp.	35,000, 6.0%, 1/15/18	41,764	42,385
	Verizon Communication Inc.	20,000, 5.55%, 2/15/16	19,476	23,114
		Total Corporate Bonds		$ 1,188,164
	Accenture PLC Com	1,730 shares	79,944	$ 104,250
	Ace Limited Com	1,810 shares	112,403	130,592
	Apache Corp Com	900 shares	87,807	89,667
	Apple Inc. Com	1,180 shares	275,652	477,640
	Archer Daniels Midland Com	5,590 shares	191,002	161,775
	Baxter Intl Inc Com	2,290 shares	117,128	125,904
	Boeing Company Com	2,305 shares	151,981	151,646
	Canadian Imperial BK of Comm Com	1,890 shares	138,057	142,601
	Caterpillar Inc Com	1,490 shares	55,575	140,745
	Celgene Corp Com	2,445 shares	135,974	158,509
	Comcast Corp New Cl A	5,350 shares	137,226	125,458
	Companhia De Bebidas Spons Adr	4,030 shares	116,602	135,892
	Costco Wholesale Corp.	1,170 shares	68,100	97,403
	CVS/Caremark Corp Com	5,440 shares	202,790	197,649
	Devon Energy Corp New Com	1,480 shares	115,718	96,126
	Dr. Pepper Snapple Group Inc Com	3,180 shares	119,139	119,091
	Edison International Com	3,880 shares	134,041	157,528
	EMC Corp Mass Com	6,885 shares	125,531	168,016
	Exxon Mobil Corp Com	3,140 shares	223,197	245,203
	Freeport McMoran Copper & Gld Inc.	2,500 shares	86,257	100,650
	Gilead Sciences Inc Com	4,140 shares	182,368	172,472
	Google Inc Cl A	530 shares	279,995	314,099
	Intl Business Machines Corp Com	770 shares	76,986	142,165
	Iron Mountain Inc Com	4,180 shares	129,369	129,287
	JC Penney Inc Com	5,110 shares	135,568	163,929
	John Deere & Co Com	1,230 shares	71,740	93,357
	JP Morgan Chase & Co. Com New	4,065 shares	167,891	141,299
	MetroPCS Communications Inc Com	10,260 shares	127,261	87,210
	Microsoft Corp. Com	3,830 shares	104,297	101,993
	Mylan Inc	6,680 shares	154,131	130,728
	National Oilwell Varco Inc. Com	1,310 shares	67,863	93,442
	Oracle Corp Com	4,970 shares	100,005	162,867
	Peabody Energy Corp Com	3,440 shares	210,708	149,193
	PNM Resources Inc Com	9,720 shares	142,120	174,766
	Potash Corp Sask In Com	2,880 shares	66,548	111,462
	Precision Castparts Corp Com	655 shares	42,672	106,863
	Prudential Financial Inc Com	2,880 shares	150,055	156,096
	Public Storage Com	1,010 shares	119,050	130,341
	Qualcomm Inc Com	2,320 shares	116,666	119,712
	Schlumberger Ltd N A ADR	2,240 shares	189,487	164,573
	Shire PLC ADR	1,460 shares	121,625	137,678
	St. Jude Medical Inc Com	2,930 shares	110,162	114,270

See independent auditors' report and notes to financial statements.

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN

PLAN FEIN#: 95-3368148

PLAN #: 001

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

OCTOBER 31, 2011

(a)	(b) Identity	(c) Description of investment	(d) Cost	(e) Current value
	Starbucks Corp. Com	3,695 shares	60,288	156,520
	Target Corp. Com	3960 shares	178,110	216,810
	Tesco PLC SPONS ADR	6,530 shares	117,597	127,662
	The Travelers Companies Inc. Com	2,260 shares	111,678	131,871
	Union Pacific Corp Com	1,250 shares	117,652	124,463
	Verizon Communications Com	3,525 shares	115,636	130,355
	Wells Fargo & Co New Com	3,100 shares	95,099	80,321
	Willis Group Hldgs PLC Com	3,655 shares	107,942	132,713
		Total Common Stocks		$ 7,324,859
	Vanguard Small-Cap	5,665 shares	303,845	$ 400,799
		Total Registered Investment Companies		$ 400,799
	California State	50,000, 2.000%, 6/26/12	50,607	$ 50,547
	California State	50,000, 5.700%, 11/1/21	50,704	54,359
	Ontario Province	70,000, 1.600%, 9/21/16	69,916	69,218
		Total Other Bonds		$ 174,124
	Goldman Sachs Financial Square Treasury Fund #5	240,748 shares	240,748	$ 240,748
*	Participant loans	Participant loans at 10% interest	568,567	$ 568,567
				$ 10,927,180

* A party-in-interest as defined by ERISA

See independent auditors' report and notes to financial statements.

DESCO INDUSTRIES, INC. PROFIT SHARING PLAN
PLAN FEIN#: 95-3368148
PLAN #: 001
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED OCTOBER 31, 2011

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
Aggregated transaction in excess of 5%:								
Goldman Sachs Financial #506	Registered investment co.	$ -	$ 1,485,103	n/a	$ -	$ 1,485,103	$ 1,485,103	n/a
Goldman Sachs Financial #506	Registered investment co.	1,614,809	n/a	n/a	-	1,614,809	1,614,809	n/a

See independent auditors' report and notes to financial statements.