

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A	This return/report is for: ☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
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	Check box if filing under: ☐ Form 5558 ☐ automatic extension ☐ DFVC program
	☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan K&G EQUIPMENT SERVICE,INC. DEFINED BENEFIT PENSION PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">1b Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;">002</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/2006</td> </tr> </table>	1b Three-digit plan number (PN) ▶	002	1c Effective date of plan 01/01/2006			
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2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) K&G EQUIPMENT SERVICE, INC. 81 WASHINGTON ROAD MONROE, NY 10950	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">2b Employer Identification Number (EIN) 06-1418637</td> <td style="width:40%;"></td> </tr> <tr> <td>2c Sponsor's telephone number 845-783-2863</td> <td></td> </tr> <tr> <td>2d Business code (see instructions) 811310</td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) 06-1418637		2c Sponsor's telephone number 845-783-2863		2d Business code (see instructions) 811310	
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2c Sponsor's telephone number 845-783-2863							
2d Business code (see instructions) 811310							
3a Plan administrator's name and address (if same as plan sponsor, enter "Same") K&G EQUIPMENT SERVICE, INC. 81 WASHINGTON ROAD MONROE, NY 10950	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">3b Administrator's EIN 06-1418637</td> <td style="width:40%;"></td> </tr> <tr> <td>3c Administrator's telephone number 845-783-2863</td> <td></td> </tr> </table>	3b Administrator's EIN 06-1418637		3c Administrator's telephone number 845-783-2863			
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. a Sponsor's name SAME	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">4b EIN</td> <td style="width:40%;"></td> </tr> <tr> <td>4c PN</td> <td></td> </tr> </table>	4b EIN		4c PN			
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4c PN							
5a Total number of participants at the beginning of the plan year	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">5a</td> <td style="width:40%; text-align: center;">2</td> </tr> <tr> <td>5b</td> <td style="text-align: center;">2</td> </tr> <tr> <td>5c</td> <td></td> </tr> </table>	5a	2	5b	2	5c	
5a	2						
5b	2						
5c							
b Total number of participants at the end of the plan year.....							
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....							
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	☒ Yes ☐ No						
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.).....	☒ Yes ☐ No						
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.							

Part III	Financial Information																																		
7 Plan Assets and Liabilities a Total plan assets b Total plan liabilities c Net plan assets (subtract line 7b from line 7a).....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;"></th> <th style="width:35%;">(a) Beginning of Year</th> <th style="width:55%;">(b) End of Year</th> </tr> <tr> <td>7a</td> <td style="text-align: center;">404597</td> <td style="text-align: center;">386739</td> </tr> <tr> <td>7b</td> <td style="text-align: center;">0</td> <td></td> </tr> <tr> <td>7c</td> <td style="text-align: center;">404597</td> <td style="text-align: center;">386739</td> </tr> </table>		(a) Beginning of Year	(b) End of Year	7a	404597	386739	7b	0		7c	404597	386739																						
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8 Income, Expenses, and Transfers for this Plan Year a Contributions received or receivable from: (1) Employers (2) Participants (3) Others (including rollovers)..... b Other income (loss) c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) d Benefits paid (including direct rollovers and insurance premiums to provide benefits)..... e Certain deemed and/or corrective distributions (see instructions).... f Administrative service providers (salaries, fees, commissions) g Other expenses..... h Total expenses (add lines 8d, 8e, 8f, and 8g) i Net income (loss) (subtract line 8h from line 8c)..... j Transfers to (from) the plan (see instructions)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;"></th> <th style="width:35%;">(a) Amount</th> <th style="width:55%;">(b) Total</th> </tr> <tr> <td>8a(1)</td> <td style="text-align: center;">0</td> <td rowspan="3"></td> </tr> <tr> <td>8a(2)</td> <td style="text-align: center;">0</td> </tr> <tr> <td>8a(3)</td> <td></td> </tr> <tr> <td>8b</td> <td style="text-align: center;">-17858</td> <td></td> </tr> <tr> <td>8c</td> <td></td> <td style="text-align: center;">-17858</td> </tr> <tr> <td>8d</td> <td></td> <td rowspan="4"></td> </tr> <tr> <td>8e</td> <td></td> </tr> <tr> <td>8f</td> <td></td> </tr> <tr> <td>8g</td> <td></td> </tr> <tr> <td>8h</td> <td></td> <td style="text-align: center;">0</td> </tr> <tr> <td>8i</td> <td></td> <td style="text-align: center;">-17858</td> </tr> <tr> <td>8j</td> <td></td> <td></td> </tr> </table>		(a) Amount	(b) Total	8a(1)	0		8a(2)	0	8a(3)		8b	-17858		8c		-17858	8d			8e		8f		8g		8h		0	8i		-17858	8j		
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Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

		Yes	No	Amount
10	During the plan year:			
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c	Was the plan covered by a fidelity bond?		X	
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f	Has the plan failed to provide any benefit when due under the plan?		X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

- 11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) ☒ Yes ☐ No
- 12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)
- a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____
- If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.**
- | | | |
|--|------------|--|
| b Enter the minimum required contribution for this plan year | 12b | |
| c Enter the amount contributed by the employer to the plan for this plan year | 12c | |
| d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) | 12d | |
- e** Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

- 13a** Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**
- b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No
- c** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

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

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	05/27/2012	GREGORY COLQUHOUN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/27/2012	GREGORY COLQUHOUN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

A Name of plan <u>K&G EQUIPMENT SERVICE, INC. DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>K&G EQUIPMENT SERVICE, INC.</u>	D Employer Identification Number (EIN) <u>06-1418637</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>404597</u>
b	Actuarial value 2b <u>404597</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>0</u> <u>0</u>
b	For terminated vested participants 3b <u>0</u> <u>0</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>0</u>
(2)	Vested benefits 3c(2) <u>312291</u>
(3)	Total active 3c(3) <u>2</u> <u>312291</u>
d	Total 3d <u>2</u> <u>312291</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>5.08 %</u>
6	Target normal cost 6 <u>63494</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>04/16/2012</u>
Signature of actuary	Date
<u>HERBERT NADLER</u>	<u>11-01334</u>
Type or print name of actuary	Most recent enrollment number
<u>HERBERT NADLER</u>	<u>212-534-7986</u>
Firm name	Telephone number (including area code)
<u>49 EAST 86TH STREET</u> <u>NEW YORK, NY 10028</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of _____ %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding percentages	
14	Funding target attainment percentage	14	129.55 %
15	Adjusted funding target attainment percentage	15	129.55 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	153.87 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	63494										
b Excess assets, if applicable, but not greater than 31a	31b	63494										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
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b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....	0	0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40											

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Form 5500-SF

Department of the Treasury
Internal Revenue ServiceShort Form Annual Return/Report of Small Employee
Benefit PlanThis form is required to be filed under sections 104 and 4065 of the Employee
Retirement Income Security Act of 1974 (ERISA), and section 6057(b) and 6058(a) of
the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public
Inspection

Part I Annual Report Identification Information

For the calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

- A This return/report is for: ☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
- 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 Check box if filing under: ☐ Form 5558 ☐ automatic extension ☐ DFVC program
☐ special extension (enter description)

Part II Basic Plan Information --- enter all requested information.

1a Name of plan K&G EQUIPMENT SERVICE, INC. DEFINED BENEFIT PENSION PLAN	1b Three-digit plan number (PN) ▶ 002
1c Effective date of plan 01/01/2006	2b Employer Identification Number (EIN) 06-1418637
2a Plan sponsor's name and address; include room or suite number (employer, if for single-employer plan) K&G EQUIPMENT SERVICE, INC. 81 WASHINGTON ROAD US MONROE NY 10950	2c Plan sponsor's telephone number (845) 783-2863
3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAME	2d Business code (see instructions) 811310
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 SAME	3b Administrator's EIN
5a Total number of participants at the beginning of the plan year	3c Administrator's telephone number
5b Total number of participants at the end of the plan year	4b EIN
5c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	4c PN
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	5a 2
6b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)	5b 2
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.	5c

Part III Financial Information

7 Plan Assets and Liabilities	(a) Beginning of Year	(b) End of Year
a Total plan assets	7a 404,597	386,739
b Total plan liabilities	7b 0	
c Net plan assets (subtract line 7b from line 7a)	7c 404,597	386,739
8 Income, Expenses, and Transfers for this Plan Year	(a) Amount	(b) Total
a Contributions received or receivable from:		
(1) Employers	8a(1) 0	
(2) Participants	8a(2) 0	
(3) Others (including rollovers)	8a(3)	
b Other income (loss)	8b (17,858)	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c	(17,858)
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	
e Certain deemed and/or corrective distributions (see instructions)	8e	
f Administrative service providers (salaries, fees, commissions)	8f	
g Other expenses	8g	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h	0
i Net income (loss) (subtract line 8h from line 8c)	8i	(17,858)
j Transfers to (from) the plan (see instructions)	8j	

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

Form 5500-SF (2011)
v.012611

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1D

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

10 During the plan year:	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c Was the plan covered by a fidelity bond?		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance services or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f Has the plan failed to provide any benefit when due under the plan?		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500).)	☒ Yes ☐ No
12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)	☐ Yes ☒ No
a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year 	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.	
b Enter the minimum required contribution for this plan year.	12b
c Enter the amount contributed by the employer to the plan for this plan year.	12c
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount).	12d
e Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No	
If "Yes," enter the amount of any plan assets that reverted to the employer this year 		
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐ Yes ☒ No	
c If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)		
13c(1) Name of plan(s)	13c(2) EIN(s)	13c(3) PN(s)

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

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

SIGN HERE		5/23/12	GREGORY COLQUHOUN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		5/23/12	GREGORY COLQUHOUN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods
K&G Equipment Service, Inc. Defined Benefit Pension Plan
06-1418637 / 002
For the plan year 1/1/2011 through 12/31/2011

Valuation Date: 1/1/2011

Funding Method: As prescribed in IRC Section 430

Age - Eligibility age at last birthday and other ages at last birthday

New participants are included in current year's valuation

Prospective Compensation - Final 3 years of participation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417(e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate. Lump sum on plan actuarial equivalence rates will not exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum

Interest Rates -

Segment rates for the Valuation Date as permitted under IRC 430(h)(2)(C)

Segment #	Year	Rate %
Segment 1	0 - 5	2.94
Segment 2	6 - 20	5.82
Segment 3	> 20	6.46

Pre-Retirement - Mortality Table - None

Turnover/Disability - None

Salary Scale - None

Expense Load - None

Ancillary Ben Load - None

Post-Retirement - Mortality Table - 11C - 2011 Funding Target - Combined - IRC 430(h)(3)(A)

Cost of Living - None

Lump Sum - G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex) at 5%
or
11E - 2011 Applicable Mortality Table for 417(e) (unisex)

Asset Valuation Method: Fair market value of assets adjusted for contributions under IRC 430(g)(4)

Discrimination Test Assumptions:

HCE Determination - Based on all employees

Otherwise Excludable - Otherwise Excludable HCEs are included with the Not Otherwise Excludable employees

410(b)/401(a)(4) Testing:

Pre-Retirement - Interest - 8.5%

Post-Retirement - Interest - 8.5%

Mortality Table - Applicable Mortality Table - IRC 417(e)(3)

Permissively Aggregated Plans - Not tested As Single Plan

Compensation - Use current compensation to calculate the benefit accrual rate (annual method)

Testing Age - Normal retirement age or attained age, if older

Normal Form for MVAR - Joint with 50% Survivor Benefits

Plan Provisions

K&G Equipment Service, Inc. Defined Benefit Pension Plan

For the plan year 1/1/2011 through 12/31/2011

Employer:

K&G Equipment Service, Inc.

Type of Entity - S-Corporation

EIN: 06-1418637

TIN:

Plan #: 002

Dates:

Effective - 1/1/2006

Year end - 12/31/2011

Valuation - 1/1/2011

Top Heavy Years - 2006, 2007, 2008, 2009, 2010, 2011

Eligibility:

All employees excluding non-resident aliens, members of an excluded class and union

Minimum age - 21 Months of service - 12

Hours Required for - Eligibility - 1000

Benefit accrual - 1000

Vesting - 1000

Plan Entry - First day of 1st or 7th month of plan year on or next following eligibility satisfaction

Retirement:

Normal - Attainment of age 65 and completion of 5 years of participation

Early - Not provided

Average Compensation:

Final 3 years of participation

Top Heavy Minimum Benefit - Highest 3 consecutive top heavy years of participation

Plan Benefits:

Retirement - Derived from the fixed benefit formula below rounded to the nearest dollar:

100% of average monthly compensation

not greater than \$16,250

Accrued Benefit - Pro-rata based on participation with 10 maximum accrual years

Minimum Benefit - None

Maximum Benefit - None

Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum

Death Benefit - Face Amount

Top Heavy Minimum:

2% of average compensation per top heavy year of participation excluding years prior to the adoption date of the plan and 1984 (if earlier), limited to 10 years

IRS Limitations:

415 Limits -

Percent: 100

Dollar: \$195,000

Maximum 401(a)(17) compensation - \$245,000

Normal Form:

Life Annuity

Optional Forms:

Lump Sum

Life Annuity Guaranteed for 10 Years

Joint with 50%, 75% or 100% Survivor Benefit

Vesting Schedule:

Years	Percent
-------	---------

0-1	0%
-----	----

2	20%
---	-----

3	40%
---	-----

4	60%
---	-----

5	80%
---	-----

6	100%
---	------

Service is calculated using all years of service

Plan Provisions

K&G Equipment Service, Inc. Defined Benefit Pension Plan

For the plan year 1/1/2011 through 12/31/2011

Present Value of Accrued Benefit: Based on the greater of 417(e) or Actuarial Equivalence

417(e):

Interest Rates -

Segment #	Years	Rate %
Segment 1	0 - 5	2.47
Segment 2	6 - 20	5.07
Segment 3	> 20	6.10

Mortality Table - 11E - 2011 Applicable Mortality Table for 417(e) (unisex)

Actuarial Equivalence:

Pre-Retirement - Interest -

5%

Mortality Table -

None

Post-Retirement - Interest -

5%

Mortality Table -

G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex)

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

2011

**This Form is Open to Public
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

A Name of plan K&G EQUIPMENT SERVICE, INC. DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF K&G EQUIPMENT SERVICE, INC.	D Employer Identification Number (EIN) 06-1418637

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	404,597
b Actuarial value	2b	404,597
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 0	0
b For terminated vested participants	3b 0	0
c For active participants:		
(1) Non-vested benefits	3c(1)	0
(2) Vested benefits	3c(2)	312,291
(3) Total active	3c(3) 2	312,291
d Total	3d 2	312,291
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	5.08
6 Target normal cost	6	63,494

Statement by Enrolled Actuary

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

**SIGN
HERE**

Herbert Nadler

Signature of actuary

HERBERT NADLER

Type or print name of actuary

HERBERT NADLER

Firm name

49 EAST 86TH STREET

US NEW YORK

NY 10028

Address of the firm

04/16/2012

Date

11-01334

Most recent enrollment number

(212) 534-7986

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected to use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>0.00</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance..		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	129.55 %
15 Adjusted funding target attainment percentage	15	129.55 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	153.87 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶ 18(b)	0	18(c) 0

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

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

20 Quarterly contributions and liquidity shortfall(s):

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:			
a Segment rates:	1st segment: 2.94 %	2nd segment: 5.82 %	3rd segment: 6.46 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions)	☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)			
a Target normal cost (line 6)	31a	63,494	
b Excess assets, if applicable, but not greater than 31a	31b	63,494	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding Balance	Total balance
35 Balances elected to use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39		
40 Unpaid minimum required contribution for all years	40		

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42
43 Excess installment acceleration amount to be carried over to future plan years	43