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), 6057(b), 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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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
BUILDING MATERIAL DISTRIBUTORS, INC. EMPOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/2010

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

BUIDING MATERIAL DISTRIBUTORS, INC ESOP

225 ELM AVENUE
GALT, CA 95632

2b Employer Identification Number (EIN) 95-3926637

2c Sponsor's telephone number 209-745-3001

2d Business code (see instructions) 423300

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.	07/17/2012	JAMES COLSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/17/2012	JAMES COLSON
	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")
BUIDING MATERIAL DISTRIBUTORS, INC ESOP

225 ELM AVENUE
GALT, CA 95632

3b Administrator's EIN
95-3926637

3c Administrator's telephone number
209-745-3001

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**	339
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**	193
b	Retired or separated participants receiving benefits	**6b**	67
c	Other retired or separated participants entitled to future benefits	**6c**	42
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	302
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	302
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	302
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	11
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 2K 2P 2Q

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)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

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

A Name of plan
BUILDING MATERIAL DISTRIBUTORS, INC. EMPOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
BUIDING MATERIAL DISTRIBUTORS, INC ESOP

D Employer Identification Number (EIN)
95-3926637

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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

A Name of plan
BUILDING MATERIAL DISTRIBUTORS, INC. EMPOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
BUIDING MATERIAL DISTRIBUTORS, INC ESOP

D Employer Identification Number (EIN)
95-3926637

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	2341	2192
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)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	19769397	20857449
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	19771738	20859641
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	4559462	4414080
j Other liabilities	1j	24925	22761
k Total liabilities (add all amounts in lines 1g through1j)	1k	4584387	4436841
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	15187351	16422800

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)	337540	
(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)		337540
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(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)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(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)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	2195518	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		2195518
(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		26
d Total income. Add all **income** amounts in column (b) and enter total	2d		2533084
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1107642	
(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)		1107642
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		189993
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		1297635
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1235449
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: CAMPBELL TAYLOR & COMPANY **(2)** EIN: 68-0261243

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	0
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	0
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	0
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	0
e	Was this plan covered by a fidelity bond?	**4e**	X		3000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

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

A Name of plan
BUILDING MATERIAL DISTRIBUTORS, INC. EMPOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
BUIDING MATERIAL DISTRIBUTORS, INC ESOP

D Employer Identification Number (EIN)
95-3926637

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** 1012723

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): 95-3926637

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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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): _____

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):

Financial Statements and
Independent Auditor's Report of

BUILDING MATERIAL DISTRIBUTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2011 and 2010

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

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CTC CAMPBELL TAYLOR & COMPANY ♦ An Accountancy Corporation
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Steven A. Campbell
Stephen B. Taylor
Linda L. House
Kelly L. O'Brien
E. Preston Hatch

INDEPENDENT AUDITOR'S REPORT

To the Plan Committee
Building Material Distributors, Inc.
Employee Stock Ownership Plan
Galt, California

We have audited the accompanying statements of net assets available for plan benefits of Building Material Distributors, Inc. Employee Stock Ownership Plan as of December 31, 2011 and 2010 and the related statements of change in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of Plan management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of Building Material Distributors, Inc. Employee Stock Ownership Plan as of December 31, 2011 and 2010 and the change in net assets available for plan benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1, the Plan is an Employee Stock Ownership Plan and invests in common stock of Building Materials Distributors, Inc. valued at $20,857,449 and $19,769,397 as of December 31, 2011 and 2010, respectively. The fair value of company stock is determined by the plan trustee based on an annual valuation of the common stock prepared by an independent appraiser. However, because of the inherent uncertainty of the valuation, fair values used in these financial statements may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Assets Held at End of Year for the year ended December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Such information is the responsibility of the Plan's management. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Campbell Taylor & Company
An Accountancy Corporation

Roseville, California
June 29, 2012

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2011 and 2010

	2011	2010
ASSETS:		
Investments, at fair value:		
Company common stock - allocated	$ 16,952,683	$ 15,968,854
Company common stock - unallocated	3,904,766	3,800,543
Total investments	20,857,449	19,769,397
Cash	2,192	2,341
Total assets	20,859,641	19,771,738
LIABILITIES:		
Loans payable	4,414,080	4,559,462
Interest payable	22,761	24,925
Total liabilities	4,436,841	4,584,387
Net assets available for plan benefits	$ 16,422,800	$ 15,187,351

The accompanying notes are an integral part of these financial statements.

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Year Ended December 31, 2011

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Net unrealized change in fair value of investments	$ 1,829,862	$ 365,682	$ 2,195,544
Employer contributions	-	337,540	337,540
Allocation of 3,845 shares of stock at $68 per share	261,460	(261,460)	-
Total additions	2,091,322	441,762	2,533,084
DEDUCTIONS FROM NET ASSETS:			
Benefits paid to participants	1,107,642	-	1,107,642
Interest expense	-	189,993	189,993
Total deductions	1,107,642	189,993	1,297,635
Increase in net assets	983,680	251,769	1,235,449
Net assets available for plan benefits at beginning of year	15,971,195	(783,844)	15,187,351
Net assets available for plan benefits at end of year	$ 16,954,875	$ (532,075)	$ 16,422,800

The accompanying notes are an integral part of these financial statements.

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Year Ended December 31, 2010

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Net unrealized change in fair value of investments	$ -	$ -	$ -
Employer contributions	-	317,830	317,830
Prior year cash contribution allocated to shares	(54,532)	54,532	-
Allocation of 4,110 shares of stock at $68 per share	279,500	(279,500)	-
Total additions	224,968	92,862	317,830
DEDUCTIONS FROM NET ASSETS:			
Benefits paid to participants	2,009,596	-	2,009,596
Interest expense	-	207,989	207,989
Total deductions	2,009,596	207,989	2,217,585
Decrease in net assets	(1,784,628)	(115,127)	(1,899,755)
Net assets available for plan benefits at beginning of year	17,755,823	(668,717)	17,087,106
Net assets available for plan benefits at end of year	$ 15,971,195	$ (783,844)	$ 15,187,351

The accompanying notes are an integral part of these financial statements.

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN

The following description of Building Material Distributors, Inc. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan was established January 1, 1999 as an employee stock ownership plan covering employees who have completed at least one year of service and are at least 21 years of age. The Plan is sponsored by Building Material Distributors, Inc., (the "Company") and covers all eligible employees of the Company. The Plan is a leveraged employee stock ownership plan (ESOP) and stock bonus plan designed to comply with Sections 4975(e)(7) and 401(a) of the Internal Revenue Code (the "Code"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by Principal Financial Group. Three members of the Company's Board of Directors act as the Plan Committee and Plan Trustees.

The Plan is a defined contribution plan covering all full-time non-union employees earning income in the United States of America. The Plan purchases Company common stock and may use the proceeds of borrowings (see Note 4) guaranteed by the Company to finance stock purchases. The stock is held in a trust established under the Plan. Loans are repaid by Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with the Plan document.

Loans are collateralized by unallocated shares of stock and are guaranteed by the Company. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan present separately the stock pertaining to:

(a) the accounts of participants with allocated stock (allocated) and

(b) stock not yet allocated to employees (unallocated)

Plan Year

The Plan year begins January 1 and ends December 31.

Contributions

The Plan allows for the following types of contributions:

Employer Contributions

The Company may make contributions to the ESOP portion of the Plan in either cash or Company stock as determined by the Board of Directors. Each year, the Company must make a contribution in the amount necessary to discharge any indebtedness payable during the following plan year in connection with the financed purchase of Company stock.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

"Safe Harbor" 401(k) Matching Contributions

The Company may declare "Safe Harbor" 401(k) matching contributions in accordance with certain rules of the IRS code. Contributions are made to the ESOP on behalf of each employee participating in the Company's 401(k) Plan on the last day of the Plan year. The "Safe Harbor" 401(k) matching contribution is a dollar for dollar match of employee salary deferrals up to 4% of eligible compensation. Contributions may be made in cash or shares of Company stock. The Company made "Safe Harbor" 401(k) matching contributions of $309,503 and $315,972 in 2011 and 2010, respectively. The contributions are included in the allocation of shares of stock presented on the Statement of Change in Net Assets.

Allocations

Allocations are made at the end of each Plan year. Allocations of earnings or losses are based upon participants' account balances prior to allocation of any employer contributions or forfeitures. Employer contributions are allocated based upon the percentage of participant compensation to total eligible compensation. Matching 401(k) contributions are allocated based on the amount of a participant's 401(k) salary deferrals. Forfeitures are allocated to eligible employees in the same manner as employer contributions. Purchases of employer stock that are financed by the Plan are held in a suspense account and are allocated to participants as the debt obligations are paid.

Vesting

Employer contributions and gains/losses credited thereon vest on a six year schedule as follows:

Less than 2 years credited service	0%
After 2 years credited service	20%
After 3 years credited service	40%
After 4 years credited service	60%
After 5 years credited service	80%
After 6 years credited service	100%

For vesting purposes, a year of service is equivalent to 1,000 hours of service during the Plan year.

"Safe harbor" 401(k) matching contributions are 100% vested when contributed.

Forfeitures

All forfeitures are reallocated to the accounts of remaining participants as of the allocation date of the Plan year in which the forfeiture occurs. For the years ended December 31, 2011 and 2010, $94,516 and $40,786 of forfeited stock and cash was allocated to participants, respectively.

Retirement

Normal retirement under the Plan is age 65 and at least five years of service.

Payment of Benefits

Payments of benefits may be made at the following times under the Plan: 1) normal retirement; 2) termination of employment of the participant; or 3) death or disability of the participant.

The normal form of benefit payment is substantially equal annual installments over five years, beginning one year after retirement.

Distributions of Company stock include a "put option" that, if exercised, requires the Company to repurchase the stock based on the terms defined in the Plan document. The Company repurchased 16,287 and 29,539 shares during 2011 and 2010, respectively.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

Diversification Rights
Upon reaching age 55 and after 10 years participating in the Plan, participants have certain diversification rights with respect to Company stock in their accounts.

Voting Rights
Under certain circumstances, participants have the right to vote in corporate matters which fall under section 409(e)(3) of the Code. Participants may vote on shares that have been allocated to their accounts.

Administrative Expenses
Substantially all administrative expenses were paid by the Company for the years ending December 31, 2011 and 2010. Expenses related to specific participant transactions are charged to the respective participant's account.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Investment Valuation and Income Recognition
The investment in Company stock is stated at fair market value as determined by the plan trustees based on an annual valuation by an independent appraiser. Because of the inherent uncertainty of the valuation process, estimated fair value and appraised values for the investment in company stock may differ significantly from values that would have been used had a ready market for such investments existed.

Income Taxes
The Plan obtained its latest determination letter on July 27, 2010, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. 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 (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed tax positions taken by the Plan, and has determined that as of December 31, 2011, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however there are currently no audits for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2007.

Concentration of Credit Risk
The Plan maintains its cash in bank deposit accounts which may exceed federally insured limits during the year. The Plan has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Estimates and Assumptions
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: **INVESTMENTS**

During the years ended December 31, 2011 and 2010, the Plan's investments held at year end changed in value as follows:

	2011	2010
Net unrealized appreciation in fair value of investments:		
Company Stock	$ 2,195,544	$ -

The Plan holds 274,440 shares of the Company's common stock as of December 31, 2011, of which 223,062 shares were allocated to participants of the Plan. In 2011 and 2010, 3,845 and 4,110 shares, respectively, of Company stock were allocated to participants' accounts.

NOTE 4: **LOANS PAYABLE**

In 1999, the Plan purchased 156,461 shares of the Company's stock from former shareholders. The purchase was financed with two internal loans from the Company, both in the amount of $1,500,000. The loans were refinanced and modified in 2008 to extend the loan terms to 2018.

In November 2006, the Plan purchased 41,559 shares of Company stock from a former shareholder. The purchase was financed with an internal loan from the Company in the amount of $3,532,556 which bears interest at the applicable federal rate. The loan will be repaid in annual installments, with the first three years consisting of interest only payments, through November 2018.

In April 2008, the Plan purchased 11,000 shares of Company stock from a former shareholder. The purchase was financed with an internal loan from the Company in the amount of $979,000 which bears interest at the applicable federal long term rate. The loan will be repaid in annual installments, with the first nine years consisting of interest only payments.

	2011	2010
Note payable to the Company, annual payments of $43,120 including interest at 8%, collateralized by unallocated shares of Company stock, due July 2018.	$ 231,128	$ 255,535
Note payable to the Company, annual payments of $12,741 including interest at 8%, collateralized by unallocated shares of Company stock, due July 2018	66,334	73,218
Note payable to the Company, annual payments of $250,000 in 2011 and amortize remaining balance beginning in 2012, including interest at the applicable federal long-term rate (3.84% at December 31, 2011), collateralized by unallocated shares of Company stock, due November 2018.	3,312,925	3,427,017

NOTE 4: **LOANS PAYABLE (Continued)**

	2011	2010
Note payable to the Company, annual interest only payments at the applicable federal long term rate (3.84% at December 31, 2011) for nine (9) years ending December 2016. Thereafter, two fully amortized payments of principal and interest, with the first due December 2017 and the second due June 2018, collateralized by unallocated shares of Company stock.	803,693	803,692
	$ 4,414,080	$ 4,559,462

Aggregate annual principal maturities on loans payable are due as follows:

Year ending December 31:	
2012	$ 506,004
2013	508,671
2014	511,502
2015	514,561
2016	517,840
Thereafter	1,855,502
	$ 4,414,080

NOTE 5: **FAIR VALUE MEASUREMENTS**

Financial Accounting Standards establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs include quoted market prices for identical or similar assets or liabilities in active or inactive markets or inputs other than quoted prices that are observable or corroborated by observable market data for the asset or liability; and Level 3 inputs have the lowest priority and are unobservable and significant to the fair value measurement. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's investments are classified within Level 1, Level 2, or Level 3. There were no transfers out of Level 2 or 3 during the years ended December 31, 2011 and 2010.

Investment in Company Stock: An annual valuation of the Company common stock is prepared by an independent appraiser. The Trustees of the Plan approve the fair value based on the annual valuation. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Significant Unobservable Inputs (Level 3)	
	2011	2010
Investment in Company Stock	$ 20,857,449	$ 19,769,397

NOTE 5: **FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of the beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2011 and 2010:

	Significant Unobservable Inputs (Level 3)	
	2011	2010
Investment in Company Stock, beginning of the year	$ 19,769,397	$ 21,778,033
Benefits paid to participants	(1,107,492)	(2,008,636)
Appreciation in investment in Company stock	2,195,544	-
Investment in Company Stock, end of the year	$ 20,857,449	$ 19,769,397

NOTE 6: **PLAN TERMINATION**

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

NOTE 7: **SUBSEQUENT EVENTS**

Plan management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 29, 2012, the date the financial statements were available to be issued. Plan management has determined there are no events subsequent to December 31, 2011 that would require recognition or disclosure.

SUPPLEMENTAL SCHEDULE

BUILDING MATERIAL DISTRIBUTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 95-3926637 / PLAN: 003

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2011

Description of Investment	Number of Shares or Units	Cost	Current Value
Common Stock:			
*Building Material Distributors, Inc.	274,440	$ 8,125,907	$ 20,857,449

**Party-in-interest*

PLAN SPONSOR: BUILDING MATERIAL DISTRIBUTORS, INC.
EIN: 95-3926637
PLAN NAME: BUILDING MATERIAL DISTRIBUTORS, INC. ESOP

PLAN NUMBER: 003

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

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	BUILDING MATERIAL DISTRIBUTORS, INC.	COMMON SHARES (274,440.1223 SHARES)	8,081,118	16,422,800
	WELLS FARGO	NON-INTEREST BEARING CASH	2,192	2,192