

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
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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 multiemployer plan; ☐ a multiple-employer plan; or ☒ 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 <u>GRAMMER 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>02/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>02/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>02/01/2001</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>GRAMMER INDUSTRIES, INC.</u> <u>3505 PELHAM RD STE C</u> <u>GREENVILLE, SC 29615</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>58-2439877</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>864-672-0710</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>58-2439877</u>	2c Sponsor's telephone number <u>864-672-0710</u>	2d Business code (see instructions) <u>336990</u>	
2b Employer Identification Number (EIN) <u>58-2439877</u>					
2c Sponsor's telephone number <u>864-672-0710</u>					
2d Business code (see instructions) <u>336990</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/23/2012	DANA TUMLIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/23/2012	BONNIE BISHOP
	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

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") GRAMMER INDUSTRIES, INC. 3505 PELHAM RD STE C GREENVILLE, SC 29615	3b Administrator's EIN 58-2439877 3c Administrator's telephone number 864-672-0710
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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	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	114
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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	84
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	7
d Subtotal. Add lines 6a , 6b , and 6c	6d	91
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	91
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	91
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

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

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

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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**

A Name of plan GRAMMER 401(K) PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 GRAMMER INDUSTRIES, INC.	D Employer Identification Number (EIN) 58-2439877	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
HARTFORD LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-0974148	88072	GA-023592	91	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
14874	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

ING FINANCIAL PARTNERS INC
909 LOCUST ST
DES MOINES, IA 50309

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
14874			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	266876
5 Current value of plan's interest under this contract in separate accounts at year end	5	3092239

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year	7b	248424
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c Additions: (1) Contributions deposited during the year	7c(1)	35793	
	7c(2)		
	7c(3)	7630	
	7c(4)	6222	
	7c(5)	0	

(6) Total additions	7c(6)	49645
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d Total of balance and additions (add b and c(6))	7d	298069
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	5329	
(2) Administration charge made by carrier	7e(2)	303	
(3) Transferred to separate account	7e(3)	25561	
(4) Other (specify below)	7e(4)	0	

(5) Total deductions	7e(5)	31193
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f Balance at the end of the current year (subtract e(5) from d)	7f	266876
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information 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.	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 <u>GRAMMER 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GRAMMER INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>58-2439877</u>

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

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

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

HARTFORD LIFE INSURANCE COMPANY

06-0974148

(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?
15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66	NONE	1150	Yes ☒ No ☐	Yes ☒ No ☐	0	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?
67 99			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
HARTFORD LIFE INSURANCE COMPANY	15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66 67 99	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
SEE ATTACHED	SEE ATTACHED	

(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

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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information 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.	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

A Name of plan <u>GRAMMER 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>GRAMMER INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>58-2439877</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: HARTFORD ADVANTAGE TK1

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

c EIN-PN <u>06-0974148-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2653769</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT K1

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

c EIN-PN <u>06-0974148-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>438470</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-
12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 GRAMMER 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 GRAMMER INDUSTRIES, INC.	D Employer Identification Number (EIN) 58-2439877	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)	0	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)	0	0
	(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)	0	0
	(9) Value of interest in common/collective trusts.....	1c(9)	0	0
	(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
	(11) Value of interest in master trust investment accounts	1c(11)		
	(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)	3079572	3092239
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	248424	266876
	(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(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	3327996	3359115

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3327996	3359115
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	191485	
(B) Participants	2a(1)(B)	446462	
(C) Others (including rollovers)	2a(1)(C)	1732	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		639679

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)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	7630	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7630

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-142471
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		504838

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	456035	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		456035
f Corrective distributions (see instructions)	2f		16534
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1150	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1150
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		473719

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		31119
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: JOHNSTONE, GRAYDON & THOMPSON CPA'S

(2) EIN: 57-0859168

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.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>GRAMMER 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GRAMMER INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>58-2439877</u>

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
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): <u>06-0974148</u>	
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 <u>0</u>

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

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	<u>0</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>0</u>	
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	<u>0</u>	
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

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

Schedule R (Form 5500) 2011
v.012611

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): _____

GRAMMER 401 (k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

GRAMMER 401 (k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
PIEDMONT, SOUTH CAROLINA

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* * * * *

The above schedules have been included as required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1994. Other required schedules have been omitted because the Plan Custodian/Recordkeeper has deemed them not applicable to this Plan.



Johnstone, Graydon & Thompson, CPA's, P.A.

115 Whitsett Street
Greenville, SC 29601

Telephone: (864) 232-1545

Fax: (864) 232-4637

INDEPENDENT ACCOUNTANTS' REPORT

To the Plan Administrator:

Grammer 401 (k) Plan

For the Employees of Controlled Group

For Grammer Industries, Inc. and Grammer, Inc.

We were engaged to audit the financial statements of the Grammer 401(k) Plan (Established For the Employees of Controlled Group For Grammer Industries, Inc. and Grammer, Inc.) as of December 31, 2011 and 2010 and for the year ended December 31, 2011 and the supplemental schedules as of December 31, 2011 and for the year ended, as listed in the preceding table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note D which was certified by The Hartford Life Insurance Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2011, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America, and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Johnstone, Graydon & Thompson CPA's, P.A.

August 8, 2012

**GRAMMER 401(k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
ASSETS		
INVESTMENTS - AT FAIR VALUE:		
Mutual Funds	\$ 3,092,239	\$ 3,079,572
Group Annuity Contract (Unallocated)	266,876	248,424
RECEIVABLES:		
Employer contributions	2,723	5,980
Participant contributions	<u>6,086</u>	<u>12,896</u>
TOTAL ASSETS	3,367,924	3,346,872
LESS - LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 3,367,924</u></u>	<u><u>\$ 3,346,872</u></u>

See independent accountants' report and accompanying notes to the financial statements.

GRAMMER 401(k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS:

Additions to net assets arising from:

Investment income:

Net loss in fair value of investments	\$ (99,320)
Interest income	7,630
	<u>(91,690)</u>

Investment expense	<u>(43,151)</u>
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Total investment loss	<u>(134,841)</u>
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Contributions:

Participants	439,652
Employer	188,228
Rollover	<u>1,732</u>

Total contributions	<u>629,612</u>
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TOTAL ADDITIONS	<u>494,771</u>
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DEDUCTIONS

Deductions from net assets attributed to:

Benefits paid to participants	472,569
Administrative expenses	<u>1,150</u>

TOTAL DEDUCTIONS	<u>473,719</u>
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NET INCREASE	21,052
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NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>3,346,872</u>
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 3,367,924</u></u>
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See independent accountants' report and accompanying notes to financial statements.

**GRAMMER 401 (k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE A. DESCRIPTION OF PLAN

The following description of the Grammer (Grammer Industries, Inc. and Grammer, Inc. or "Company", or "Plan Sponsor"), 401 (k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. *General* - The Plan is a defined contribution plan covering all full-time employees (as defined in the Plan) of the Company who have completed at least one month of service and are age twenty-one or older. Personnel eligible to participate in the Plan may enter the Plan on the first day of the following calendar quarter once they have completed one month of service. Employees excluded from the Plan are employees subject to a collective bargaining agreement and nonresident aliens. Special waiting periods apply to employees arising from a merger and other circumstances. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).
2. *Contributions* - Each year participants may contribute up to maximum allowable amounts per IRS regulations, as defined in the Plan. Participants also may contribute amounts representing distributions ("rollovers") from other qualified defined benefit or defined contribution plans. The Plan provides for profit-sharing contributions by the Company of an amount determined by the Board of Directors of the Company. The Company matches participants' voluntary contributions at 50 percent of the first 10 percent of the base compensation that a participant contributes to the Plan. All employer contributions are invested for each participant in the same ratio as the participant has directed his own investments. Contribution decisions may be changed at any time by participants and are subject to certain limitations under the Internal Revenue Code ("IRC").
3. *Participant Accounts* - Each participant's account is credited with his or her contribution and allocations of (a) the Company's contribution, (b) Plan earnings, (c) expense ratio for the fund, and (d) charged with an allocation of Plan administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.
4. *Vesting* - Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's matching and profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested in the Company's matching and profit sharing contribution portion after three years of credited service. (25% end of year one, 50% end of year two, and 100% at the end of year three.) Upon death, disability or retirement, all Company contributions allocated to a participant account vests 100%.
5. *Investment Options* - Upon enrollment in the Plan, a participant may direct his or her contributions in any of twenty different mutual funds (three of which are managed by the custodian and an unallocated group annuity contract) offered by the Plan Custodian, The Hartford Life Insurance Company. Participants may change their investment options at anytime via the internet or telephone contact with the Plan Custodian.

NOTE A. DESCRIPTION OF PLAN (continued)

Investments representing five percent or more of total assets at December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Allianz OCC Renaissance	\$ 292,772	\$ 291,216
American Balanced	222,377	207,059
American Funds Growth	225,665	264,868
Hartford Capital Appreciation	334,688	330,756
Hartford Fixed Account	266,876	248,424
Fidelity Advisor Mid Cap	204,164	235,291
Goldman Sachs Small Cap	182,444	193,468
Janus Forty	191,739	167,146
AIM Small Cap Growth	212,260	211,022
American Funds – New Perspective	224,943	220,595
Pimco Total Return	201,247	208,335

6. *Loans and Withdrawals* - Participants may not borrow from their Plan accounts. Participants may receive distributions before normal retirement age (age 59 ½) for disability and hardship withdrawals (as defined).
7. *Payment of Benefits* - On termination of service, a participant or the participant's beneficiary, as the case may be, may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or rollover the value of the participant's interest in his or her account to another qualified benefit plan. Upon reaching normal retirement, a participant may elect a lump sum distribution, or may receive installment payments over the life expectancy of the participant.
8. *Forfeited Accounts* - Forfeited amounts are used first to offset employer contributions and then to offset Plan administration expenses. At December 31, 2011 and 2010, unused forfeitures totaled \$1,188 and \$1,166 respectively. During 2011 and 2010, \$4,476 and \$14,039 respectively of forfeitures were used to offset employer contributions.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting* - The financial statements of the Plan are prepared using the accrual method of accounting.
2. *Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
3. *Investment Valuation and Income Recognition* - The Plan's investments are stated at fair values and are determined by the Plan Custodian. Approximately 92% of the Plan's investments at December 31, 2011 (93 % at December 31, 2010) are investments in publicly-traded mutual funds whose unit value is determined and published daily by the respective mutual funds. The Plan's investment in an unallocated group annuity contract with the Plan Custodian is valued by the Plan Custodian based on the terms of the contract. The Plan's income from dividends interest, realized and unrealized gains and losses is reported by the Plan Custodian from information received from the various mutual fund investments. Income from interest earned on the unallocated group annuity contract is reported by the Plan upon receipt of such information from the Plan Custodian.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 4 *Payment of Benefits* - Benefits paid to participants of the Plan are recorded by the Custodian when paid.
5. *Adoption of new Accounting Guidance* – In January 2011, the FASB issued Accounting Standards Update 2011-04, Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS. This Accounting Standard Update requires that the entity report any changes in valuation techniques and related inputs as a change in accounting estimate. The guidance in ASU 2011-04 becomes effective for reporting periods beginning after December 15, 2011, and early application is permitted for non-public entities.

NOTE C. RECORDKEEPING AND PARTICIPANT ACCOUNTS

The Plan Sponsor has engaged the Hartford Life Insurance Company as "Custodian", "Trustee", and "Recordkeeper" of the Plan. As such, the Recordkeeper maintains all financial information regarding the Plan and participant accounts. All Plan earnings, contributions and deductions are posted to the Plan's records, including participant records, by the Recordkeeper.

Information regarding a participant's account is furnished to the participant twice yearly in printed form but also is available at anytime via internet or telephone access. The Recordkeeper posts participant and Company contributions to a participant's account based on information received from the Company. The allocation of the contributions to the appropriate investment options, or transfers of investment amounts is participant directed and can be initiated by the participant directly with the Custodian via internet or telephone access.

Plan withdrawals are initiated through the Trustee, but are approved by the Plan Administrator. The Plan Administrator also notifies the Custodian of deaths, disabilities, retirements or terminations of participants. The Custodian initiates any transactions with respect to these notifications directly with the participant or the participant's beneficiary, as applicable.

NOTE D. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Plan Trustee.

	December 31, <u>2011</u>	December 31, <u>2010</u>
Investments, at fair value	<u>\$ 3,359,115</u>	<u>\$ 3,327,996</u>
Investment income (loss)	<u>(\$ 91,690)</u>	<u>\$ 373,539</u>
Administrative expenses of the Trustee	<u>\$ 1,150</u>	<u>\$ 992</u>

NOTE E – FAIR VALUE MEASUREMENTS

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

NOTE E – FAIR VALUE MEASUREMENTS (*continued*)

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

Level 2: Inputs to the valuation methodology include:

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

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011.

Pooled separate accounts: The Hartford issues group annuity contracts or funding agreements that include variable investment offerings, through pooled separate accounts. These unregistered pooled separate accounts are divided into investment divisions called "Sub-Accounts". Each Sub-Account invests in shares of an underlying mutual fund. Sub-Account values are measured in terms "Accumulation Units". The Accumulation Units of a Sub-Account are assigned a unit value on a daily basis, at the end of each day the New York Stock Exchange ("NYSE") is open for trading, as of the close of the NYSE on that day (called a "Valuation Day"). To determine the current Accumulation Unit Value for a Sub-Account the prior Valuation Day's Accumulation Unit Value is multiplied by the "Net Investment Factor". The Net Investment Factor is used to measure the investment performance of a Sub-Account from on Valuation Day to the next. The Net Investment Factor for each Sub-Account equals the net asset value per share of the underlying fund held in the Sub-Account at the end of the current Valuation Day, divided by the net asset value per share of the underlying Fund held in the Sub-Account at the end of the prior Valuation Day, minus any daily mortality and expense risk and administration charges, if applicable.

Guaranteed investment contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

NOTE E – FAIR VALUE MEASUREMENTS (continued)

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

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Pooled separate accounts:				
Growth funds	\$ 863,226	\$ -	\$ -	\$ 863,226
Value funds	599,860	-	-	599,860
Bond funds	507,706	-	-	507,706
International funds	450,001	-	-	450,001
Blend funds	671,446	-	-	671,446
Total pooled accounts	<u>3,092,239</u>	<u>-</u>	<u>-</u>	<u>3,092,239</u>
Guaranteed investment contract	<u>266,876</u>	<u>-</u>	<u>-</u>	<u>266,876</u>
Total	<u>\$3,359,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,359,115</u>

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

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Pooled separate accounts:				
Growth funds	\$ 914,130	\$ -	\$ -	\$ 914,130
Value funds	598,314	-	-	598,314
Bond funds	449,091	-	-	449,091
International funds	468,269	-	-	468,269
Blend funds	649,768	-	-	649,768
Total pooled accounts	<u>3,079,572</u>	<u>-</u>	<u>-</u>	<u>3,079,572</u>
Guaranteed investment contract	<u>248,424</u>	<u>-</u>	<u>-</u>	<u>248,424</u>
Total	<u>\$3,327,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,327,996</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2011:

	<u>Unobservable Inputs (Level 3) Year ended December 31, 2011</u>
Balance, beginning of year	\$ 3,327,996
Realized gains	9,599
Purchases	639,679
Plan expenses	(1,150)
Distributions	(472,569)
Unrealized (losses) relating to the instruments still held at the reporting date	<u>(144,440)</u>
Balance, end of year	<u>\$ 3,359,115</u>

NOTE F. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions to the Plan 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 all Company contributions credited to their accounts.

NOTE G. TAX STATUS

The Plan is based on a standardized, prototype plan offered by the Plan Custodian. The prototype plan obtained its determination letter from the Internal Revenue Service stating that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan administrator believes that the Plan is designed and is currently operated in compliance with the applicable requirements of the IRC, based on reliance of the Plan Custodian regarding the prototype plan.

NOTE H. RELATED PARTY TRANSACTIONS

The Company provides certain administrative support to the Plan, including the funding of audit services for the Plan. The Company believes that the dollar amount of these services is not significant.

NOTE I. RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 3,367,924	\$ 3,346,872
Employer contributions receivable	(2,723)	(5,980)
Employee contributions receivable	<u>(6,086)</u>	<u>(12,896)</u>
Net assets available for benefits per the Form 5500	<u>\$ 3,359,115</u>	<u>\$3,327,996</u>

The following is a reconciliation of employee contributions per the financial statements at December 31, 2011 to Form 5500:

	<u>2011</u>
Employee contributions per financial statements	\$ 439,652
Employee contributions receivable current year	(6,086)
Employee contributions receivable prior year	<u>12,896</u>
Employee contributions per the Form 5500	<u>\$ 446,462</u>

NOTE I. RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500 (continued)

The following is a reconciliation of employer contributions per the financial statements at December 31, 2011 to Form 5500:

	<u>2011</u>
Employee contributions per financial statements	\$ 188,228
Employer contributions receivable current year	(2,723)
Employer contributions receivable prior year	<u>5,980</u>
Employer contributions per the Form 5500	<u>\$ 191,485</u>

NOTE J. SUBSEQUENT EVENTS

The Plan Sponsor evaluated subsequent events through August 8, 2012, the date on which the financial statements were available for issuance.

* * * * *

SCHEDULE I

**GRAMMER 401(k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
SCHEDULE OF ASSETS HELD FOR INVESTMENT AT END OF YEAR
EIN 58-2439877 / PLAN NO. 001
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>
Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, or maturity date		Current Value
AIM SMALL CAP GROWTH	Pooled Separate Account		\$ 212,260
ALLIANZ OCC RENAISSANCE	Pooled Separate Account		292,772
AMERICAN BALANCED	Pooled Separate Account		222,377
AMERICAN FUNDS GROWTH	Pooled Separate Account		225,665
AMERICAN FUNDS NEW PRS	Pooled Separate Account		224,943
AMERICAN FUNDS WASH MU	Pooled Separate Account		124,644
DAVIS NEW YORK VENTURE	Pooled Separate Account		53,450
FIDELITY ADVISOR MID CAP	Pooled Separate Account		204,164
* HARTFORD FIXED ACCOUNT	Group Annuity Contract (Unallocated)		266,876
GOLDMAN SACHS SMALL CAP	Pooled Separate Account		182,444
* HARTFORD CAPITAL APPRECIATION	Pooled Separate Account		334,688
* HARTFORD INDEX HLS	Pooled Separate Account		60,931
* HARTFORD TOTAL RETURN	Pooled Separate Account		42,852
JANUS ADVISORY FORTY	Pooled Separate Account		191,739
LORD ABBETT - BOND DEBENTURE	Pooled Separate Account		145,915
MFS STRATEGIC VALUE	Pooled Separate Account		20,395
OPPENHEIMER CAP APPRECIATION	Pooled Separate Account		29,398
PIMCO FOREIGN BOND	Pooled Separate Account		117,692
PIMCO TOTAL RETURN	Pooled Separate Account		201,247
PUTNAM INTERNATIONAL EQUITY	Pooled Separate Account		76,425
TEMPLETON FOREIGN	Pooled Separate Account		128,238
Totals			<u>\$ 3,359,115</u>

* - Party-in-interest

See independent accountants' report.

GRAMMER 401 (k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

GRAMMER 401 (k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
PIEDMONT, SOUTH CAROLINA

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SCHEDULE I – SCHEDULE OF ASSETS HELD FOR INVESTMENT AT END OF YEAR,	
DECEMBER 31, 2011-----	11

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The above schedules have been included as required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1994. Other required schedules have been omitted because the Plan Custodian/Recordkeeper has deemed them not applicable to this Plan.



Johnstone, Graydon & Thompson, CPA's, P.A.

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INDEPENDENT ACCOUNTANTS' REPORT

To the Plan Administrator:

Grammer 401 (k) Plan

For the Employees of Controlled Group

For Grammer Industries, Inc. and Grammer, Inc.

We were engaged to audit the financial statements of the Grammer 401(k) Plan (Established For the Employees of Controlled Group For Grammer Industries, Inc. and Grammer, Inc.) as of December 31, 2011 and 2010 and for the year ended December 31, 2011 and the supplemental schedules as of December 31, 2011 and for the year ended, as listed in the preceding table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note D which was certified by The Hartford Life Insurance Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2011, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America, and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Johnstone, Graydon & Thompson CPA's, P.A.

August 8, 2012

**GRAMMER 401(k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
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FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
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NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>3,346,872</u>
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 3,367,924</u></u>
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FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
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FOR THE YEAR ENDED DECEMBER 31, 2011**

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NOTE A. DESCRIPTION OF PLAN (continued)

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	<u>2011</u>	<u>2010</u>
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American Balanced	222,377	207,059
American Funds Growth	225,665	264,868
Hartford Capital Appreciation	334,688	330,756
Hartford Fixed Account	266,876	248,424
Fidelity Advisor Mid Cap	204,164	235,291
Goldman Sachs Small Cap	182,444	193,468
Janus Forty	191,739	167,146
AIM Small Cap Growth	212,260	211,022
American Funds – New Perspective	224,943	220,595
Pimco Total Return	201,247	208,335

6. *Loans and Withdrawals* - Participants may not borrow from their Plan accounts. Participants may receive distributions before normal retirement age (age 59 ½) for disability and hardship withdrawals (as defined).
7. *Payment of Benefits* - On termination of service, a participant or the participant's beneficiary, as the case may be, may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or rollover the value of the participant's interest in his or her account to another qualified benefit plan. Upon reaching normal retirement, a participant may elect a lump sum distribution, or may receive installment payments over the life expectancy of the participant.
8. *Forfeited Accounts* - Forfeited amounts are used first to offset employer contributions and then to offset Plan administration expenses. At December 31, 2011 and 2010, unused forfeitures totaled \$1,188 and \$1,166 respectively. During 2011 and 2010, \$4,476 and \$14,039 respectively of forfeitures were used to offset employer contributions.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting* - The financial statements of the Plan are prepared using the accrual method of accounting.
2. *Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
3. *Investment Valuation and Income Recognition* - The Plan's investments are stated at fair values and are determined by the Plan Custodian. Approximately 92% of the Plan's investments at December 31, 2011 (93 % at December 31, 2010) are investments in publicly-traded mutual funds whose unit value is determined and published daily by the respective mutual funds. The Plan's investment in an unallocated group annuity contract with the Plan Custodian is valued by the Plan Custodian based on the terms of the contract. The Plan's income from dividends interest, realized and unrealized gains and losses is reported by the Plan Custodian from information received from the various mutual fund investments. Income from interest earned on the unallocated group annuity contract is reported by the Plan upon receipt of such information from the Plan Custodian.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 4 *Payment of Benefits* - Benefits paid to participants of the Plan are recorded by the Custodian when paid.
5. *Adoption of new Accounting Guidance* – In January 2011, the FASB issued Accounting Standards Update 2011-04, Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS. This Accounting Standard Update requires that the entity report any changes in valuation techniques and related inputs as a change in accounting estimate. The guidance in ASU 2011-04 becomes effective for reporting periods beginning after December 15, 2011, and early application is permitted for non-public entities.

NOTE C. RECORDKEEPING AND PARTICIPANT ACCOUNTS

The Plan Sponsor has engaged the Hartford Life Insurance Company as "Custodian", "Trustee", and "Recordkeeper" of the Plan. As such, the Recordkeeper maintains all financial information regarding the Plan and participant accounts. All Plan earnings, contributions and deductions are posted to the Plan's records, including participant records, by the Recordkeeper.

Information regarding a participant's account is furnished to the participant twice yearly in printed form but also is available at anytime via internet or telephone access. The Recordkeeper posts participant and Company contributions to a participant's account based on information received from the Company. The allocation of the contributions to the appropriate investment options, or transfers of investment amounts is participant directed and can be initiated by the participant directly with the Custodian via internet or telephone access.

Plan withdrawals are initiated through the Trustee, but are approved by the Plan Administrator. The Plan Administrator also notifies the Custodian of deaths, disabilities, retirements or terminations of participants. The Custodian initiates any transactions with respect to these notifications directly with the participant or the participant's beneficiary, as applicable.

NOTE D. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Plan Trustee.

	December 31, <u>2011</u>	December 31, <u>2010</u>
Investments, at fair value	<u>\$ 3,359,115</u>	<u>\$ 3,327,996</u>
Investment income (loss)	<u>(\$ 91,690)</u>	<u>\$ 373,539</u>
Administrative expenses of the Trustee	<u>\$ 1,150</u>	<u>\$ 992</u>

NOTE E – FAIR VALUE MEASUREMENTS

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

NOTE E – FAIR VALUE MEASUREMENTS (*continued*)

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

Level 2: Inputs to the valuation methodology include:

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

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011.

Pooled separate accounts: The Hartford issues group annuity contracts or funding agreements that include variable investment offerings, through pooled separate accounts. These unregistered pooled separate accounts are divided into investment divisions called "Sub-Accounts". Each Sub-Account invests in shares of an underlying mutual fund. Sub-Account values are measured in terms "Accumulation Units". The Accumulation Units of a Sub-Account are assigned a unit value on a daily basis, at the end of each day the New York Stock Exchange ("NYSE") is open for trading, as of the close of the NYSE on that day (called a "Valuation Day"). To determine the current Accumulation Unit Value for a Sub-Account the prior Valuation Day's Accumulation Unit Value is multiplied by the "Net Investment Factor". The Net Investment Factor is used to measure the investment performance of a Sub-Account from on Valuation Day to the next. The Net Investment Factor for each Sub-Account equals the net asset value per share of the underlying fund held in the Sub-Account at the end of the current Valuation Day, divided by the net asset value per share of the underlying Fund held in the Sub-Account at the end of the prior Valuation Day, minus any daily mortality and expense risk and administration charges, if applicable.

Guaranteed investment contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

NOTE E – FAIR VALUE MEASUREMENTS (continued)

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

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Pooled separate accounts:				
Growth funds	\$ 863,226	\$ -	\$ -	\$ 863,226
Value funds	599,860	-	-	599,860
Bond funds	507,706	-	-	507,706
International funds	450,001	-	-	450,001
Blend funds	671,446	-	-	671,446
Total pooled accounts	<u>3,092,239</u>	<u>-</u>	<u>-</u>	<u>3,092,239</u>
Guaranteed investment contract	<u>266,876</u>	<u>-</u>	<u>-</u>	<u>266,876</u>
Total	<u>\$3,359,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,359,115</u>

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

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Pooled separate accounts:				
Growth funds	\$ 914,130	\$ -	\$ -	\$ 914,130
Value funds	598,314	-	-	598,314
Bond funds	449,091	-	-	449,091
International funds	468,269	-	-	468,269
Blend funds	649,768	-	-	649,768
Total pooled accounts	<u>3,079,572</u>	<u>-</u>	<u>-</u>	<u>3,079,572</u>
Guaranteed investment contract	<u>248,424</u>	<u>-</u>	<u>-</u>	<u>248,424</u>
Total	<u>\$3,327,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,327,996</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2011:

	<u>Unobservable Inputs (Level 3) Year ended December 31, 2011</u>
Balance, beginning of year	\$ 3,327,996
Realized gains	9,599
Purchases	639,679
Plan expenses	(1,150)
Distributions	(472,569)
Unrealized (losses) relating to the instruments still held at the reporting date	<u>(144,440)</u>
Balance, end of year	<u>\$ 3,359,115</u>

NOTE F. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions to the Plan 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 all Company contributions credited to their accounts.

NOTE G. TAX STATUS

The Plan is based on a standardized, prototype plan offered by the Plan Custodian. The prototype plan obtained its determination letter from the Internal Revenue Service stating that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan administrator believes that the Plan is designed and is currently operated in compliance with the applicable requirements of the IRC, based on reliance of the Plan Custodian regarding the prototype plan.

NOTE H. RELATED PARTY TRANSACTIONS

The Company provides certain administrative support to the Plan, including the funding of audit services for the Plan. The Company believes that the dollar amount of these services is not significant.

NOTE I. RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 3,367,924	\$ 3,346,872
Employer contributions receivable	(2,723)	(5,980)
Employee contributions receivable	<u>(6,086)</u>	<u>(12,896)</u>
Net assets available for benefits per the Form 5500	<u>\$ 3,359,115</u>	<u>\$3,327,996</u>

The following is a reconciliation of employee contributions per the financial statements at December 31, 2011 to Form 5500:

	<u>2011</u>
Employee contributions per financial statements	\$ 439,652
Employee contributions receivable current year	(6,086)
Employee contributions receivable prior year	<u>12,896</u>
Employee contributions per the Form 5500	<u>\$ 446,462</u>

NOTE I. RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500 (continued)

The following is a reconciliation of employer contributions per the financial statements at December 31, 2011 to Form 5500:

	<u>2011</u>
Employee contributions per financial statements	\$ 188,228
Employer contributions receivable current year	(2,723)
Employer contributions receivable prior year	<u>5,980</u>
Employer contributions per the Form 5500	<u>\$ 191,485</u>

NOTE J. SUBSEQUENT EVENTS

The Plan Sponsor evaluated subsequent events through August 8, 2012, the date on which the financial statements were available for issuance.

* * * * *

SCHEDULE I

**GRAMMER 401(k) PLAN
FOR THE EMPLOYEES OF CONTROLLED GROUP
FOR GRAMMER INDUSTRIES, INC. AND GRAMMER, INC.
SCHEDULE OF ASSETS HELD FOR INVESTMENT AT END OF YEAR
EIN 58-2439877 / PLAN NO. 001
FOR THE YEAR ENDED DECEMBER 31, 2011**

(A)	(B)	(C)	(D)
Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, or maturity date		Current Value
AIM SMALL CAP GROWTH	Pooled Separate Account		\$ 212,260
ALLIANZ OCC RENAISSANCE	Pooled Separate Account		292,772
AMERICAN BALANCED	Pooled Separate Account		222,377
AMERICAN FUNDS GROWTH	Pooled Separate Account		225,665
AMERICAN FUNDS NEW PRS	Pooled Separate Account		224,943
AMERICAN FUNDS WASH MU	Pooled Separate Account		124,644
DAVIS NEW YORK VENTURE	Pooled Separate Account		53,450
FIDELITY ADVISOR MID CAP	Pooled Separate Account		204,164
* HARTFORD FIXED ACCOUNT	Group Annuity Contract (Unallocated)		266,876
GOLDMAN SACHS SMALL CAP	Pooled Separate Account		182,444
* HARTFORD CAPITAL APPRECIATION	Pooled Separate Account		334,688
* HARTFORD INDEX HLS	Pooled Separate Account		60,931
* HARTFORD TOTAL RETURN	Pooled Separate Account		42,852
JANUS ADVISORY FORTY	Pooled Separate Account		191,739
LORD ABBETT - BOND DEBENTURE	Pooled Separate Account		145,915
MFS STRATEGIC VALUE	Pooled Separate Account		20,395
OPPENHEIMER CAP APPRECIATION	Pooled Separate Account		29,398
PIMCO FOREIGN BOND	Pooled Separate Account		117,692
PIMCO TOTAL RETURN	Pooled Separate Account		201,247
PUTNAM INTERNATIONAL EQUITY	Pooled Separate Account		76,425
TEMPLETON FOREIGN	Pooled Separate Account		128,238
Totals			<u>\$ 3,359,115</u>

* - Party-in-interest

See independent accountants' report.

The Hartford
Retirement Plans Group
P.O. Box 1583
Hartford, CT 06144-1583

GRAMMER 401(K) PLAN
3505 PELHAM RD STE C
GREENVILLE SC 29615-4154



Dear Plan Sponsor,

The Hartford is pleased to provide you with the enclosed Disclosure Statement – Reasonable Contract or Arrangement under ERISA Section 408(b)(2).

Your Disclosure Statement provides you with an overview of the services that we provide to your plan, as well as a description of the associated fees and costs. We encourage you to review your Disclosure Statement as part of your due diligence process to satisfy your fiduciary duty to ensure your plan is paying reasonable compensation for the services provided to your plan.

If you have any questions on the material covered in this booklet, please contact your financial professional or your Hartford representative.

Sincerely,

The Hartford

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Disclosure Statement
Reasonable Contract or Arrangement under ERISA Section 408(b)(2)

GRAMMER 401(K) PLAN

023592

As of May 1, 2012

Disclosure Statement

Reasonable Contract or Arrangement under ERISA Section 408(b)(2)

As of May 1, 2012

This is a **Disclosure Statement** to be read in conjunction with your Installation Booklet ¹. It contains information you should know about the services to be provided to your plan and the fees and compensation we expect to receive for those services.

We provide you this disclosure to help you with your fiduciary decisions:

- to enter into and maintain the arrangements that comprise our packaged retirement services program for your plan, and
- that the overall compensation we and our affiliates receive in connection with your plan is “reasonable” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

This Disclosure Statement is provided on behalf of the following service providers with respect to their role in our packaged retirement services program:

- Hartford Life Insurance Company
- Hartford Securities Distribution Company, Inc.
- Mesirow Financial Investment Management, Inc.
- Morningstar Associates, LLC
- Reliance Trust Company

You or your participants may engage other service providers who are not part of our packaged retirement services program to provide services to your plan and/or its participants (e.g., investment advice, consulting, accounting, legal, administration and other services). This Disclosure Statement does not include any information regarding services you contract for with others outside of our packaged retirement services program. Hartford is not, and shall not be, responsible for any disclosure related to such services.

Terms Used in this Disclosure Statement

A “**packaged**” retirement services program combines plan recordkeeping services, other administrative and optional services, and investment options for employer-sponsored retirement plans.

The “**Contract**” means your plan’s group variable annuity contract or funding agreement issued by Hartford Life Insurance Company.

The “**Funds**” are the mutual funds and collective investment trusts made available as variable investment options to your plan through the Contract.

The “**Investment Option Menus**” are the menus of Funds we offer through the Contracts.

“**Hartford**”, “**we**”, “**us**” or “**our**” means Hartford Life Insurance Company and its affiliates.

A person’s or entity’s “affiliate” directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such person or entity.

Description of Services

Services Provided by Hartford: We provide non-fiduciary services under our packaged retirement services program that are described in the Section of the Installation Booklet titled “Recordkeeping and Administrative Services”. Our services include recordkeeping services related to plan administration and accounting for plan, participant and beneficiary transactions (e.g., enrollment, payroll deductions and contributions, participant loans, withdrawals and distributions), the maintenance of plan and participant and beneficiary accounts, records and statements. Our

¹ The Installation Booklet was formerly called the “Plan Sponsor Submission Information” booklet.

services also include offering the Investment Option Menus. Please read the Administrative Services Agreement for more information about these services.

Services Provided by Others as Part of Our Program: Our packaged retirement services program also includes a number of optional services such as self-directed brokerage account services, directed trustee services, and investment advisory services. These optional services are provided by third parties who have subcontractor service agreements with us. If you elect one of these optional services, you will also need to enter into a direct service provider agreement with the third party service provider with respect to your plan.

Status

Hartford does not serve as an ERISA fiduciary with respect to your plan, and is not registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") or any state law.

Certain third parties that provide optional services under our program will act as ERISA fiduciaries to your plan if you elect to use those optional services. These third party service providers are:

- **Mesirow Financial Investment Management, Inc. ("Mesirow Financial").** Mesirow Financial will provide you with investment advice regarding the selection and monitoring of the plan's investment options as an ERISA fiduciary and registered investment adviser, if you select the Fiduciary Assure® program and satisfy certain minimum criteria specified in the Advisory Services Agreement between you and Mesirow Financial.
- **Morningstar Associates, LLC ("Morningstar").** Morningstar will provide your plan participants with investment advice as an ERISA fiduciary and registered investment adviser, if you select the Morningstar Advice service.
- **Reliance Trust Company ("RTC").** RTC will act as an ERISA fiduciary in the capacity of a directed trustee to your plan, if you select directed trustee services from RTC.

For more information about these third party services please review the agreement you would enter, as plan sponsor, with the applicable third party service provider.

For More information: Please contact us to request additional information about any of the items mentioned in this Disclosure Statement.

You can contact us by telephone: (800) 637-6444

Or you can write to us at: The Hartford
P.O. Box 1583
Hartford, CT 06144-1583

Overview of this Disclosure Statement

Our Compensation in a Packaged Retirement Services Program:

This program is what is referred to as a "packaged" services program. This means the services we provide, and the compensation we receive for those services, are combined together to offer a single program (with a number of optional features). Consistent with this "packaged" structure, the compensation and fees we receive are not broken out into a fee for each specific service we provide. As an overview, we want you to know that we are compensated by the following sources of revenue:

- **Direct Fees and Charges:** This retirement services program includes specific direct fees and charges, which may be deducted from plan assets or billed to the plan sponsor (as elected by the plan sponsor). These are outlined in the "Summary of Program Fees and Charges" Section of this Disclosure Statement.

- **Program and Administrative Charge:** Sometimes referred to as a “separate account charge”, or “mortality, expense risk and administrative charge” in older Contracts, this is the charge that may, depending on your plan’s size and other factors, be assessed under your plan’s Contract on the Contract value invested in variable (separate account) investment options. See the discussion under “Program and Administrative Charge in the Separate Account” under the “Investment Level Charges and Fees” Section of this Disclosure Statement.
- **Revenue Sharing and Other Fees and Payments We Receive with Respect to the Funds:** Mutual funds and collective investment trusts pay recordkeepers like Hartford fees and payments, typically based on the amount of assets invested in their funds by the recordkeeper’s customers. These fees and payments are further described under “Revenue Sharing and Other Fees and Payments We Receive with Respect to the Funds” in the “Compensation and Fees” Section of this Disclosure Statement. To see the rate of fees and payments we receive with respect to a specific Fund on the Investment Option Menu for your Contract, please refer to the **Investment Option Menu Disclosure Chart** located at the end of this Disclosure Statement (if you are an existing customer) or the **Investment Option Menu Performance and Disclosure Chart** located in your proposal accompanying this Disclosure Statement (if you are a prospective purchaser). For convenience, we refer to both of these charts by the shorter name, “Investment Option Menu Disclosure Chart” from time to time in this Disclosure Statement.
- **Float Compensation:** Certain amounts awaiting investment direction or the cashing of a check are held in a transaction processing bank account and are subject to short-term investment. Hartford keeps the earnings from that investment, as further described in the “Float Compensation” Section of this Disclosure Statement.
- **“Spread” on the Hartford Fixed Account Investment Option:** The Fixed Account Investment Option is part of our insurance company general account. Our general account contains Hartford Life Insurance Company’s general corporate assets (excluding separate accounts). Your Contract provides for a guarantee of principal and credited interest with respect to the plan’s Contract value in the Fixed Account. Contributions to the Fixed Account are credited with a guaranteed rate of interest that we declare in advance. We may change the rate of interest from time to time, subject to a guaranteed minimum rate of interest for the life of the Contract. The “spread” is the difference between the rate of interest we agree to credit on Contract values in the Hartford Fixed Account and what we earn on our investments that we make in our general account. If we earn more than the rate of interest that we agree to credit on Fixed Account Contract values, we make a profit. If we earn less than the rate of interest that we agree to credit on Fixed Account Contract values, we bear the loss. Plan sponsors and plan participants have no ownership interest in the assets of the Fixed Account, and we assume substantial investment risk for amounts invested in the Fixed Account. Unlike a Fund, plan sponsors do not see an “expense ratio” because we bear the expenses of the Fixed Account. All guarantees are subject to the claims paying ability of the issuer of the Contract (Hartford Life Insurance Company). All assets of our general account are available to meet our contractual guarantees and general obligations. The Fixed Account is described in more detail in the Fixed Account Investment Option Section of your Installation Booklet.
- **Profit on Hartford Lifetime Income:** We receive premium payments on each annuity purchase and provide the participant with guaranteed income and liquidity described in the Hartford Lifetime Income Summary Booklet. We assume certain interest rate, longevity and other risks, and expect to make a profit on Hartford Lifetime Income after our expenses, including distribution costs and risks.

Also, certain charges and adjustments may apply if you terminate the Contract. See the “Termination Charges” Section for more information.

Your Plan’s Initial Schedule of Fees and Charges

For: GRAMMER 401(K) PLAN

Plan Number: 023592

Below is a summary of the fees and charges that we propose to apply to your plan under our retirement services program based on our understanding of your plan's characteristics. By signing the Application for Recordkeeping Services, you authorize the following fees and charges for your plan under this retirement services program.

Table 1: The following table shows the fees and charges that will be charged directly to you or your plan.

- Fees identified with an asterisk (*) will be billed to you or deducted from plan assets (participant accounts), depending on your election in the Section of your Installation Booklet titled "Election as to Payment of Certain Fees".
- Please see the "Summary of Program Fees and Charges" Section of this Disclosure Statement for more information about each of these Fees and Charges.

Table 1: Direct Fees and Charges – these are charged directly to you or your plan

Annual Recordkeeping and Administration Fee:	
ADMINISTRATION FEE	\$950.00
PARTICIPANT FEE (1)	\$10.00

Footnotes to Table 1:

(1) We assess this charge against all participant account values each year based on the average of all participant account values under your plan's Contract as described in the Summary of Program Fees and Charges. This means the annual Per Participant Fee for any year may increase or decrease from the prior year depending on the average of all participant account values under your plan's Contract.

Table 2: The following table shows the types of fees and charges that will be charged at the Investment Option level.

- Please see Summary of Program Fees and Charges - Investment Level Fees in this Disclosure Statement for more information about each of these Fees and Charges.

Table 2: Investment Level Fees and Charges

Program and Administrative Charge in the Separate Account (1)	Please see the Investment Option Menu Disclosure Chart
Total Annual Fund Operating Expenses (2)	Please see the Investment Option Menu Disclosure Chart and the Fund prospectus as applicable for each Fund

Footnotes to Table 2:

(1) We deduct a Program and Administrative Charge from the assets of each Sub-Account in the Separate Account to provide for the distribution and administration of our retirement services product. In certain older Contracts we refer to this charge as a separate account charge or a mortality, expense risk and administrative charge. We may decrease the Program and Administrative charge and we may increase the Program and Administrative Charge upon 90 days notice to you. The Program and Administrative Charge will never exceed 2.00% per year.

(2) These are expenses deducted at the Fund level from Fund assets (management fees, Rule 12b-1 distribution and service expenses, and other fees and expenses).

Table 3: The following table shows the types of compensation we receive from sources other than directly from your plan ("Indirect Compensation").

Table 3: Indirect Compensation

Fees and Payments We Receive with Respect to the Funds (1)	Please see the discussion in the “Revenue Sharing and Other Fees and Payments We Receive with respect to the Funds” Section and the Investment Option Menu Disclosure Chart
Float Compensation	Please see the discussion in the Float Compensation Section

Footnotes to Table 3:

(1) In some cases, this form of indirect compensation is paid to Hartford Securities Distribution Company, Inc. rather than to Hartford Life Insurance Company.

Table 4: This table shows an estimate of the cost to your plan of our recordkeeping services. We take all the amounts described above into account when we determine the fees and charges for our retirement services program. When a service provider expects to receive compensation other than, or in addition to, direct compensation from the plan, and takes that into account in setting its rates for recordkeeping services, ERISA regulations require that we provide you with a reasonable and good faith estimate of the cost to your plan of our recordkeeping services, including an explanation of the methodology and assumptions used to prepare the estimate and a detailed explanation of the recordkeeping services that will be provided to your plan.

Table 4: Cost Estimate of Recordkeeping Services

Our Cost Estimate (1)	Methodology and Assumptions
\$107.99	In determining our cost of providing recordkeeping services to your plan, assumptions are made on the average indirect compensation received as well as the direct compensation received in order to cover our costs and provide a reasonable profit. The amount shown in this table represents that estimate on a per participant basis by taking the estimated indirect compensation we will receive (less our estimate of our expenses for paying compensation to financial intermediaries) divided the number of participants with a balance.

Footnotes to Table 4:

(1) This is our estimate of what recordkeeping services would cost for your plan and other similar plans if we did not receive Indirect Compensation and other amounts described above .

Table 5: The table below shows the estimated annual expenses that we expect to incur with respect to your plan for paying compensation to broker-dealer firms, financial institutions, insurance agents and others (“Financial Intermediaries”) for selling the Contracts.

Table 5: Our Expenses for Compensation we pay to Financial Intermediaries

Sales Commissions we pay to your Financial Intermediary: We will pay your Financial Intermediary representative’s firm the commissions shown below. Your Financial Intermediary representative selected this commission schedule from the commission options discussed generally in the Section of this Disclosure Statement titled “Commissions We Pay to Financial Intermediaries”. Your Financial Intermediary can choose from different levels of commission rates (from lower to higher). A higher rate of commissions may require a higher Program and Administrative charge for your plan, or that the Investment Option Menu made available to you to select investment options for your plan be based on a more expensive Fund share class.

Fund Share Class of Investment Option Menu	Rate of Commissions Paid on Gross Contributions	Rate of Commissions Paid on Contract Assets	
		Year 0-1	Year 1+
A or equivalent	1.00%	0.00%	0.25%

Compensation to Our Affiliates:

Some plans purchasing our retirement services program may receive services from one of our affiliated broker-dealers, Woodbury Financial Services, LLC or Hartford Securities Distribution Company, Inc. Additionally, some of the Funds on our Investment Option Menus are Funds from our own proprietary family of mutual funds (The Hartford Mutual Funds and Hartford HLS Funds). Our proprietary mutual funds have contracts for services with companies that are affiliated with us.

The Hartford affiliated companies that provide these services, and are compensated in connection with those services, are listed below. For more information about our proprietary mutual funds, see the Fund prospectus.

Hartford Affiliate	Services	Compensation
Hartford Investment Financial Services, LLC	Investment Manager and Principal Underwriter to The Hartford Mutual Funds	As Investment Manager paid by the Fund in the form of investment advisory fees based on assets under management. As Principal Underwriter paid by the Fund in the form of dealer concessions
Hartford Administrative Services Company	Transfer Agent to The Hartford Mutual Funds and Hartford HLS Funds	Paid by the Fund in the form of fees for services
HL Investment Advisors, LLC	Investment Manager to Hartford HLS Funds	Paid by the Fund in the form of investment advisory fees based on assets under management
Hartford Securities Distribution Company, Inc	Principal Underwriter to Hartford HLS Funds	Paid by the Fund in the form of dealer concessions
Hartford Securities Distribution Company, Inc.	Broker-dealer services for the Plan	Paid by Hartford Life Insurance Company as issuer in the form of commissions
Woodbury Financial Services, LLC	Broker-dealer services for the Plan	Paid by HSD in the form of commissions

Compensation to Other Companies:

Sub-contractors: We engage certain third parties (listed below) that provide certain optional services in connection with our retirement services program:

Sub-contractor	Service
Charles Schwab & Co., Inc.	Self-directed brokerage account option
Mesirow Financial	Fiduciary Assure®
Morningstar	Morningstar Advice
Reliance Trust Company	Directed Trustee Services

- We pay compensation to Mesirow Financial, Morningstar and Reliance Trust Company, as described under “Other Compensation Hartford Pays to Third Parties” in the “Compensation and Fees” Section of this Disclosure Statement.

Financial Intermediaries: We compensate insurance firms and broker-dealers, including our affiliates, Woodbury Financial Services, LLC and Hartford Securities Distribution Company, Inc., to sell our programs. That compensation is discussed in the Section of this Disclosure Statement titled “Compensation Hartford Pays to Financial Intermediaries”.

Disclosures about Investment Options:

Because we are a recordkeeper offering a platform of investment options, we are also providing you disclosure of the following for each Fund:

Any compensation that is charged directly against the amount invested, in connection with the acquisition, sale, transfer of or withdrawal from the investment option	None
The Fund annual operating expense ratio, if the return for the investment option is not fixed	Please see the Investment Option Menu Disclosure Chart
Any ongoing expenses in addition to the annual operating expenses	Please see the Program and Administrative Charge Section and the Investment Option Menu Disclosure Chart

Summary of Program Fees and Charges

This Section shows the schedules of current possible charges and fees applicable to this program at this time.

The fees and charges summarized in this Section may vary from plan to plan depending on plan characteristics. Plan sponsors can negotiate fees and charges, generally with plans with more than \$5 million in assets. We consider a number of plan characteristics when negotiating fees and charges, and proposing a custom price for a plan. These factors include (but are not limited to) total plan assets, number of participants, on going contributions, investment option selections and plan services.

The initial fees for your plan, outlined above under “ **Your Plan’s Initial Schedule of Fees and Charges** ”, were determined based on the characteristics of your plan at the time we issued the written proposal for the Contract for your plan. These characteristics will be re-evaluated periodically and may result in a change in the fees for your plan. We will provide you with advance notice of any proposed change in your fees, and, if you object to the proposed change, you have the right at any time to terminate your Contract and services with us, subject to the discontinuance and termination provisions in the Contract and Administrative Services Agreement. If, based on your plan’s characteristics in the future, you believe your fees should be reduced, please submit a written request for a review of your plan’s characteristics and fees.

Please note that the fees identified below are subject to change. Please contact your Hartford Client Manager at any time, or contact us at the phone number and address provided under “ *For More Information* ” in the Disclosure Statement, to request an updated Schedule of fees and charges.

Direct Charges - Standard Services

Installation Fee

We assess a one-time charge that we invoice to you at the time we establish the initial participant accounts for your Contract on our recordkeeping system. This charge is called the “Installation Fee” in your Contract. The Installation Fee is for our services of reconciling your plan’s participant records with your initial investment allocation instructions. We determine the amount of the Installation Fee based on your plan’s estimated transferred assets and first-year contributions, and your plan’s average participant account value as follows:

One-time Installation Fee	Your Plan's Transferred Assets and Estimated First-Year Contributions	Your Plan's Average Participant Account Value
\$1,000.00	Less than or equal to \$1,000,000	Less than or equal to \$50,000
\$0.00	Greater than \$1,000,000	Greater than \$50,000

We may also from time to time waive the Installation Fee as part of a marketing promotion for the Contracts.

Annual Maintenance Fee

Each year we assess this charge for maintaining the participant accounts for your plan on our recordkeeping system. This charge is called the "Annual Maintenance Fee" in your Contract. We determine the amount of the Annual Maintenance Fee that will apply to your plan each year based on the average of all participant account values under your plan's Contract as described in the table below. This means the Annual Maintenance Fee for any year may increase or decrease from the prior year depending on the average of all participant account values under your plan's Contract:

Annual Maintenance Fee	Applicable Criteria
\$1,500.00	for plans with an average per-participant balance < \$40,000
\$0.00	for plans with an average per-participant balance >= \$40,000

Depending on your election in the Section of your Installation Booklet titled "Election as to Payment of Certain Fees" we will either invoice the amount of the Annual Maintenance Fee to you or deduct the amount from participant accounts, as described in the Election as to Payment of Certain Fees Section. We may also from time to time waive the Annual Maintenance Fee for the first or succeeding Contract years as part of a marketing promotion for the Contracts.

Annual Per Participant Fee

Each year we assess this charge for maintaining the participant accounts for your plan on our recordkeeping system. This charge is called the "Per Participant Fee" in your Contract. We determine the amount of the Per Participant Fee that will apply to all participant accounts under your plan's Contract each year based on the average of all participant account values under your plan's Contract as described in the table below. This means the annual Per Participant Fee for any year may increase or decrease from the prior year depending on the average of all participant account values under your plan's Contract:

Average Participant Account Value Under Your Contract	Amount of the Annual Per Participant Fee
for plans with an average per-participant balance < \$20,000	\$20.00
for plans with an average per-participant balance = \$20,000 to \$40,000	\$10.00
for plans with an average per-participant balance >= \$40,000	\$0.00

Depending on your election in the Section of your Installation Booklet titled "Election as to Payment of Certain Fees", we will either invoice the amount of the Per Participant Fee to you or deduct the amount from participant accounts, as described in the Election as to Payment of Certain Fees Section. We may also from time to time waive the Annual Per Participant Fee for the first or succeeding Contract years as part of a marketing promotion for the Contracts.

Loan Administration Fees

We deduct the following fees from a participant account to set-up and administer participant account loans:

Loan Administration Fees	Amount	When Deducted
Loan Set-up Fee	\$50	Once at loan origination
Loan Maintenance Fee	\$4	Each calendar quarter the loan remains outstanding

The Loan Administration Fees are listed in the Fee Schedule in the Administrative Services Agreement.

Extra Charge for Multiple Data Submissions

We charge \$250 per group/file in excess of one (1) file, where Contribution allocation data is submitted for various groups of participants in separate data files. We will bill you for the amount of this charge unless you direct us to deduct it from participant accounts. This charge is listed in the Fee Schedule in the Administrative Services Agreement.

Extra Charge for Multiple Enrollment Locations

We charge \$250 plus reasonable travel expenses for each group presentation arranged at more than a single employer location. We will bill you for the amount of this charge unless you direct us to deduct it from participant accounts. This charge is listed in the Fee Schedule in the Administrative Services Agreement.

Possible Charge for Premium Taxes under Certain Circumstances

We also may deduct a charge for state or local premium taxes, if applicable, for Contracts issued in California, Texas and West Virginia when a participant converts all or a portion of their participant account into a form of life annuity. If an amount under the Contract becomes subject to a state or local premium tax (see table below), we will deduct a charge for the amount of the tax from the participant account values used to purchase the annuity benefit.

State/Jurisdiction	Rate
California	0.50%
Texas	0.04%
West Virginia	1.00%

Direct Charges - Optional Products and Services

Hartford Lifetime Income - a guaranteed income option

You can elect to make a fixed guaranteed lifetime income option (annuity) available to your plan Participants as one of your plan's designated investment options. We call this lifetime income annuity benefit "Hartford Lifetime Income". It is described in more detail in the Installation Booklet and the Hartford Lifetime Income Summary Booklet. Participants can invest in Hartford Lifetime Income just like they would any other investment option under your plan. Contributions into Hartford Lifetime Income purchase "income shares" under the Hartford Lifetime Income group annuity contract. Each income share provides the Participant \$10 of monthly guaranteed retirement income, beginning at age 65.

- **Hartford Lifetime Income - "income share" prices:** The price at which Participants purchase income shares is determined by interest rates, mortality tables and age.
 - √ Interest Rates - Interest rates usually move in the opposite direction to the price of an income share. This means higher interest rates generally result in a lower income share price, while lower interest rates usually result in a higher price.
 - √ Life Expectancy - Life expectancy reflects the number of years a Participant (or Participant and a spouse, in the case of a joint life income payment) are expected to live based on Hartford's assumptions. The longer you live, the more income payments you will receive.
 - √ Age - Age is determined by birth year. As you get older, the cost to buy income shares increases incrementally.

Changes in the daily purchase price of income shares are determined by interest rate fluctuations. A participant can only purchase income shares up until his or her required minimum distribution date, generally by age 70½.

- **Hartford Lifetime Income - Fees and Expenses:** There is no additional cost to you, as plan sponsor, to add Hartford Lifetime Income as an investment option to the plan. The cost of Hartford Lifetime Income is built into the price of each income share a participant purchases. Income share prices include all insurance charges, fees and expenses, inclusive of the guaranteed income, investment management, premium tax, and operating expenses. When a participant elects a form of income payment that is earlier or later than age 65, or includes a joint life income payment, a guaranteed period certain or annual increasing payment amount, the \$10 per monthly income payment amount is actuarially adjusted based on these elections.
- **Hartford Lifetime Income - Cash-Out Value:** Hartford Lifetime Income is a long-term investment designed to maximize the level of guaranteed monthly income a participant can receive. However, unlike many fixed-type annuities, Hartford Lifetime Income provides participants with the flexibility to cash out income shares at any time prior to commencing income payments. The cash-out value of income shares is equal to *the lesser of* (1) net contributions accumulated at an annual 3% rate of interest or (2) the current purchase price of income shares. In the event the participant dies before income payments start, the beneficiary would receive a death benefit equal to the current cash-out value of the income shares. In certain circumstances, a beneficiary may opt to receive lifetime income.

Directed Trustee Services - Reliance Trust Company

We charge an annual fee of \$400 (\$100 quarterly) if you elect to have directed trustee services provided to your plan by Reliance Trust Company. Depending on your election in the Section of your Installation Booklet titled "Election as to Payment of Certain Fees", we will either invoice the amount to you or deduct the amount from participant accounts, as described in the Election as to Payment of Certain Fees Section.

Employer Stock Recordkeeping (Directed Trustee Services from Reliance Trust Company Required, please see above)

If your plan has an Employer Stock investment option, we charge a \$3,600 annual fee, plus an annual asset-based fee equal to 25 basis points (0.0025) for administrative and recordkeeping services for making available nondiscretionary unitization services for your Employer Stock investment option through RTC. Transaction fees of \$75 per distribution in-kind and \$250 per in-kind contribution also apply, if applicable. We will invoice you for this service on a quarterly basis.

Fund of Funds Unitization Services (fee applies to all aggregate fund of funds accounts)

If your plan has one or more Fund of Funds investment options that RTC unitizes, we charge an annual asset based fee equal to 5 basis points (0.0005) of the asset value up to \$25 million and 3 basis points (0.0003) of the asset value greater than \$25 million subject to a minimum annual fee of \$7,300. We will bill you for this fee on a quarterly basis.

Other Unitization Services

If your plan has other unique investment options that RTC unitizes, we charge an annual asset based fee equal to 5 basis points (0.0005) of the asset value invested in the unitized account subject to a minimum annual fee of \$7,300. We will bill you for this fee on a quarterly basis.

- √ Because we make RTC's services available to your plan through our packaged retirement services program, you pay us for these services and we compensate RTC. The compensation that we pay RTC is discussed under "Fees and Compensation Paid to Reliance Trust Company" in the part of this Disclosure Statement titled "Other Compensation Hartford Pays to Third Parties".

Morningstar Advice Service

If you elect to offer the Morningstar *Advice* service, we charge an annual fee for our administrative services in making the Morningstar *Advice* service available. This annual fee is equal to \$10 times the number of participants in your plan, regardless of participant usage of the service. The annual fee is based on the total number of participant accounts on our recordkeeping system for your plan. This fee is waived for plans with an average per-participant balance greater than \$50,000. We will bill you for the amount of this charge unless you direct us to deduct it from participant accounts.

- √ Because we make Morningstar's services available to your plan through our packaged retirement services program, you pay us for this service and we compensate Morningstar. The compensation that we pay Morningstar is discussed under "Fees and Compensation Paid to Morningstar" in the part of this Disclosure Statement titled "Other Compensation Hartford Pays to Third Parties".

Self-directed brokerage account (available through Charles Schwab & Co., Inc.)

For administrative services for recordkeeping and providing access to a self-directed brokerage account ("SDBA") option, we deduct a \$100 annual maintenance fee from each participant account using a self-directed brokerage account. We deduct the fee on a quarterly basis from the portion of the participant's account invested in the Contract.

- If your plan is an existing plan that includes existing self-directed brokerage accounts, Hartford will assess a one-time transfer fee according to the following schedule:
- \$500 for a plan with less than 50 participants with an SDBA ; or
- \$1,000 for a plan with 50 or more participants with an SDBA.

Fees for Supplemental Plan Document Services

If you request services for customized volume submitter or individually designed plan documents, optional amendments for a prototype plan document, or amendments to a customized volume submitter plan document, we charge the following fees as applicable. These fees are listed in your Administrative Services Agreement. We will bill you for these fees unless you direct us to deduct it from participant accounts.

Service	Amount of Fee
For a customized volume submitter or individually designed plan document	\$1,500
For preparation of determination letter filing (note that IRS fees also apply)	\$500
Amendment fee for each optional prototype amendment in excess of one per year (including amendment, board resolution, summary of material modification or updated summary plan description)	\$100
Amendment fee for each customized volume submitter plan document amendments	\$500

Additional Compliance Testing Services

As described in the Administrative Services Agreement, our retirement services program provides you with access to web-based technology that enables you to complete certain compliance testing for your plan. If you would like additional compliance testing services, upon request we may agree to perform certain compliance tests for you for the following additional fees, as applicable. We will bill you for these fees. Please see your Administrative Services Agreement for more information.

Service	Amount of Fee
For hypothetical or specialized testing and allocation file services (3 hour minimum requirement)	\$200 per hour
For qualified domestic relations order earnings calculation (in accordance with terms of domestic relations order or at the direction of the plan fiduciary)	\$200 per hour
Per additional ADP/ACP test for plans with fewer than 500 participants	\$250
Per additional ADP/ACP test for plans with 500 or more participants	\$500

Plan Operations Services

We charge a \$200 per hour fee for plan operations services, including such services as operational corrections (calculations, sample filings, audit assistance). We will bill you for these fees. Please see your Administrative Services Agreement for more information.

Technical Support Services

We charge the following fees for technical support services:

Service	Amount of Fee
Search fee per participant for lost participant address searches	\$5
For on-request processing services	\$150/hour
For participant mailing preparation services (plus associated costs)	\$150/hour

We will bill you for these fees. Please see your Administrative Services Agreement for more information.

Investment Level Charges and Fees

In addition to the direct charges and fees disclosed above, there are generally two categories of fees deducted from the investment options available under your Contract.

- Fees we assess at the insurance company separate account level; and
- Fees that are assessed by the Fund companies at the underlying Fund level.

Fees at the Separate Account Level

Program and Administrative Charge in the Separate Account: We assess a Program and Administrative Charge at an annual rate on the assets of each Sub-Account in the Separate Account to provide for the distribution and administration of our retirement services product. The amount of the Program and Administrative Charge applicable to your plan depends generally on:

- the size of your plan,
- our sales-related expenses for your Contract including commissions we pay to Financial Intermediaries (sometimes referred to as a “distribution” expense), and
- the amount of fees and payments we receive with respect to the Funds.

The Program and Administrative Charge is an annual charge set forth in your Contract that we assess on a daily basis. The annual rate of the Program and Administrative Charge applicable to your plan under your Contract appears in the **Investment Option Menu Disclosure Chart** under the column titled **“Separate Account Charge” or “Program and Administrative Charge”**.

We deduct the Program and Administrative Charge from the assets of the Sub-Account as a daily charge at the annual rate applicable to your plan, each day the New York Stock Exchange is open for trading (called a “Valuation Day” in your Contract). We deduct the charge as a percentage of the net asset value of each Fund when we determine the Sub-Account Accumulation Unit value.

The Program and Administrative Charge is not assessed on the Hartford Fixed Account, Hartford Lifetime Income, or on investments held outside of your Contract.

If the Program and Administrative Charge is not sufficient to cover actual costs incurred by us, we will bear the loss. If the Program and Administrative Charge exceeds these costs, we will keep the excess as profit. We may use these profits, as well as fees and payments received with respect to the Funds, for any corporate purposes, including among other things, payment of sales expenses, including our expenses of paying broker-dealers, financial institutions and other persons for selling the Contracts. We expect to make a profit from the Program and Administrative Charge.

We may decrease the Program and Administrative charge, and we may increase the Program and Administrative Charge upon 90 days advance notice to you.

Fees at Underlying Fund Level

Fund Annual Operating Expenses: The Separate Account purchases shares or units of the Funds at net asset value. The net asset value of each Fund share reflects that Fund's management fee, distribution and service expenses, and other fees and expenses already deducted from the assets of the Fund. These fees and expenses are charged by a Fund from the Fund's assets, and are called the Fund's Annual Operating Expenses. A Fund's Total Annual Operating Expenses are expressed as a percentage, sometimes called an "expense ratio". Each Fund's Total Annual Operating Expenses are described in the Fund's prospectus (if the Fund is a mutual fund) or other offering document (if the Fund is a collective investment trust). Each Fund's expense ratio is also reported on the Investment Option Menu Disclosure Chart. You can also see each Fund's expense ratio at <http://thehartford.com/retirementplans/access>, once your plan has been established on our recordkeeping system.

Termination Charges

This Section of the Disclosure Document describes the charges and adjustments that may apply when the Contract is discontinued (terminated), and when you take certain non-benefit withdrawals.

Contingent Deferred Sales Charge: Not all Contracts provide for a Contingent Deferred Sales Charge. If your Contract provides for a Contingent Deferred Sales Charge, we may assess a Contingent Deferred Sales Charge when you request a full or partial withdrawal from the Contract during a certain period of time (typically five or seven Contract Years, and in certain older Contracts up to nine Contract Years) after your Contract was issued. The Contingent Deferred Sales Charge is, in the case of a partial withdrawal, a percentage of the amount of the withdrawal, and in the case of a full withdrawal or termination of your plan's Contract, a percentage of the amount of the Contract value on the effective date of your Contract's termination (see your Contract for more information and the percentage of Contingent Deferred Sales Charge that may be applicable).

No Contingent Deferred Sales Charge will be deducted from a withdrawal that is certified by the plan sponsor or its authorized designee to be for:

- a transfer to an "Approved Plan Related Investment Account",
- a "Benefit Payment" to a Participant or beneficiary pursuant to the terms of the plan, or
- a payment of certain "Plan Related Expenses".

As such terms are defined in the Contract.

We may issue your Contract with a modified Contingent Deferred Sales Charge schedule or we may issue your Contract with no Contingent Deferred Sales Charge at all. If your Contract contains a Contingent Deferred Sales Charge it will appear in your Contract.

Fixed Account Market Value Adjustment Alternative at Contract Termination: If your plan invests in the Fixed Account and you terminate your Contract, you must elect to have the Fixed Account paid under either (a) a book value installment alternative or (b) a market value lump sum alternative.

(a) *Book Value Installment:* Under this alternative, we pay you the value of your plan's investment in the Fixed Account in six installments. The first installment is paid within 30 days after the effective date of your Contract's termination (called the "Date of Discontinuance" in your Contract). The five additional installments are paid in equal payments, plus interest, on each anniversary of your Contract's discontinuance. Interest will at least equal the Minimum Guaranteed Interest Rate under your Contract. Please note that this alternative does not allow any transfers or surrenders, including transfers to an Approved Plan Related Investment Account or Benefit Payments.

(b) *Market Value Lump Sum:* If you elect this alternative, we pay the discounted present value of your Fixed Account balance in a lump sum. We may defer payment for a period that is not longer than thirty (30) days from the Date of Discontinuance.

This lump sum payment will be in an amount we determine is equal to the greater of:

(1) The present value of each of the book value installment payments discounted back to the date the Contract is discontinued at a rate equal to our estimate of the annualized yield on the U.S. Treasury Strip plus the option adjusted spread on the Composite of Barclays Capital Indices, or

(2) 90% of all contributions to the Fixed Account, less all prior transfers and surrenders, plus interest accrued at a rate not less than your Contract's minimum guaranteed rate of interest, less any applicable premium taxes or contingent deferred sales charges.

Our estimate of the U.S. Treasury Strip annualized yield is based on the yield of a U.S. Treasury Strip with a maturity date closest to the date on which the discounted installment payment is due.

Your Contract may contain different options. You should refer to your Contract for a complete understanding of its discontinuance terms.

Revenue Sharing and Other Fees and Payments We Receive with Respect to the Funds

Services We Provide to the Funds: We offer a "platform" of Funds through our retirement services program's Investment Option Menus from which you may select your plan's designated investment options. In addition to providing services to your plan and other plans that purchase our retirement services program, we provide services to the Funds on our platform and to other entities related to, or serving the Funds (such as Fund principal underwriters, transfer agents and investment advisers) (collectively, the "Fund complexes"). We provide services to each Fund complex by paying financial intermediaries to sell our program, marketing the Funds in our program materials, and making the Funds available to your plan through our programs. These services promote the sale of the Fund shares and units through our programs and are sometimes called "distribution" services. Additionally, we provide transaction processing, other administrative and shareholder services for the Fund complexes. We receive fees and payments from the Fund complexes for these services as further described below.

Payments We Receive: We receive fees and payments with respect to the Funds that are offered as variable investment options to your plan through your Contract (sometimes referred to generally as "revenue sharing" payments). We consider these fees and payments, among a number of other factors, when deciding to include a Fund in the Investment Option Menu. Virtually all of the Funds on the Investment Option Menus make these payments to us and/or our affiliates.

- To see the rate of fees and payments we receive with respect to a specific Fund on the Investment Option Menu for your Contract please refer to the **Investment Option Menu Disclosure Chart** located in Appendix I to this Disclosure Statement (if you are an existing customer) or located in your proposal accompanying this Disclosure Statement (if you are a prospective purchaser).

We receive these fees and payments under agreements between Hartford and entities related to or serving the Funds. The payments are sometimes made by the Fund and sometimes by one of the entities in the Fund complex.

These fees and payments generally fall into three categories: "Administrative Service Fees," "Shareholder Service Fees" and "Distribution Fees." Each of these categories is briefly described below, together with the general range of fees and payments we expect to receive in that category. We also describe certain other types of payments we receive:

- **Administrative Service Fees.** Administrative Service Fees are ordinarily paid as compensation for providing processing and recordkeeping services to a Fund with respect to purchases, exchanges and redemptions in the Fund held by or on behalf of a plan.
 - √ These services are sometimes called "sub-transfer agency" or "sub-accounting services."
 - √ For the Funds, we establish and maintain plan and plan participant records related to investments in Fund shares or units, and compute and process purchase and redemption orders for such shares or units.

The source and amount of the fees received for performing these administrative services varies widely by Fund complex. Some Fund complexes pay Administrative Service Fees from Fund assets as a shareholder expense. Others charge the fees to the Fund's investment adviser or other Fund affiliate. We generally receive Administrative Service Fees at annual rates ranging from \$0 to \$16.00 per plan participant account invested in shares or units of each Fund, or at rates ranging from 0 % to 0.75% of average annual plan assets invested in shares or units of each Fund through the Contracts.

- **Shareholder Service Fees.** Shareholder Service Fees are distinct from Administrative Service Fees. We receive Shareholder Service Fees as compensation for support services we provide on behalf of the Funds to plan sponsors and plan participants regarding their accounts and investments in the Funds through the Contracts.

- √ The services we provide include handling toll-free telephone inquiries about accounts from, and addressing and mailing shareholder reports, proxy materials, account statements, confirmation statements and other account related information to, plan sponsors and/or plan participants.
- √ These fees are permitted by and subject to applicable FINRA rules and regulations.

As with Administrative Service Fees, the source and amount of the payments for these services varies by Fund complex. Some Fund complexes pay Shareholder Service Fees out of Fund assets pursuant to a "Rule 12b-1 plan," subject to a FINRA fee cap of 25 basis points of Fund assets. Other complexes charge the fees to the Fund's investment adviser or other Fund affiliate. We generally receive Shareholder Service Fees at annual rates ranging from 0% to 0.50% of plan assets invested in shares or units of each Fund through the Contracts.

- **Distribution Fees.** We receive Distribution Fees for our services, and the services of broker-dealers and other financial intermediaries, related to activities primarily intended to result in plan sponsors selecting Funds as investment options under the plans, and investment in Funds by plan sponsors on behalf of or at the direction of plan participants.

- √ Distribution Fees are sometimes referred to as "Rule 12b-1 fees" or "asset based sales compensation".
- √ Where Distribution Fees are charged to mutual fund assets, they are paid pursuant to Rule 12b-1 under the Investment Company Act of 1940. This is an SEC rule that permits a mutual fund to pay for the costs of distributing its shares to investors, if the Fund adopts a qualified "Plan of Distribution."
- √ Where Distribution Fees are paid pursuant to a "Plan of Distribution" for purposes of Rule 12b-1, they are charged to the mutual fund assets and included in the Fund expense ratio.
- √ FINRA rules limit Rule 12b-1 Distribution Fees to a maximum of 75 basis points of Fund assets annually.
- √ Distribution Fees may vary among Funds, and by Fund share class. Many mutual funds on the Investment Option Menus offer different types of shares, known as share "classes". These mutual funds are sometimes called "multi-class funds".
 - ◆ With a multi-class fund, each share class invests in the same investment portfolio of securities, but each share class has different shareholder services and/or distribution arrangements with different fees and expenses. This means that each share class has different performance results.
 - ◆ The share class of a Fund available through our retirement service program is listed in the Investment Option Menu. We want you to know that the indicated share class may have higher or lower fees and expenses than other share classes of the same Fund, and the compensation we pay to your broker-dealer firm or other financial intermediary may be higher or lower than the compensation we pay for other classes of shares of the same Fund.
 - ◆ Generally, mutual funds pay us an amount equal to the product of 25 basis points (0.25%) on the average annual assets invested in a Fund for Class "A" shares. Combined Shareholder Service and Distribution Fees paid under a mutual fund Plan of Distribution generally range up to 100 basis points (1.00%) on the average annual assets invested in a Fund for "Retirement" shares. The amount of the fees paid by a mutual fund pursuant to its Plan of Distribution can be found in its prospectus.

√ Collective Investment Trusts. We use a portion of the fees and payments we receive from the trustees of Funds that are collective investment trusts to pay for distribution activities such as promoting the sale of the units of such Funds under the Contracts.

- ◆ Funds that are collective investment trusts typically offer more than one class of units in each Fund. Each unit class generally has different levels of fees and expenses. This means that each unit class has different performance results.
 - ◆ The unit class of each Fund that is a collective investment trust available through our retirement service program is listed in the Investment Option Menu. We want you to know that the indicated unit class may have higher or lower fees and expenses than other unit classes of the same Fund, and the compensation we pay to your broker-dealer firm or other financial intermediary may be higher or lower than the compensation we pay with respect to other classes of units of the same Fund.
 - ◆ Generally, the trustee of a collective investment trust will pay us amounts ranging from 0 to 115 basis points depending on the unit class of the Fund. The amount of compensation paid to us in respect of the units of such Funds can be found on the Investment Menu or in the application, participation agreement or other documents that you must sign in order for your plan to invest in units of a collective investment trust through the Contract.
- **Revenue Sharing.** Some Fund complexes make additional payments to us from the net resources of the Fund adviser or other Fund affiliate. These payments, are typically called “revenue sharing” in the mutual fund industry, and are generally made for promoting the Funds. The amount of revenue sharing, if any, varies among Fund complexes.

Aggregate Payments: Aggregate annual Administrative Service Fees, Shareholder Service Fees, Distribution Fees and revenue sharing vary by Fund, and may be higher or lower than those in the table below, but generally conform to the following:

Share Class	Aggregate Annual Rate of Payments
A shares	55 basis points (0.55%)
“Retirement” shares	80 basis points (0.80%)
Collective Fund units	50 basis points (0.50%)

Additional Compensation We Receive from the Fund Complexes: Subject to FINRA Rules, we and our affiliates may receive additional cash and non-cash compensation from the Fund complexes. This additional compensation may take the form of, among other things:

- Marketing support services, fees and assistance that we may receive from the Fund's personnel in promoting the sale of our Contracts and other retirement services products;
- Sponsorship of marketing, sales, educational and due diligence meetings;
- Payments for providing training and for providing wholesaler reports and/or information relating to sales of Fund shares in our retirement services products;
- Access to Fund personnel;
- Occasional meals and entertainment, tickets to sporting events, and nominal gifts; and
- Sponsorship of sales contests and/or promotions in which participants receive prizes such as travel awards and merchandise.

Hartford and its affiliates received approximately \$660,000 in additional compensation from the Fund complexes during 2011. This additional compensation may vary among Funds. We want you to know that additional compensation creates a potential conflict of interest in the form of an additional financial incentive for us to include a Fund on our Investment Option Menus and/or undertake more focused marketing for that Fund, as compared to other Funds.

Variation in Payments among Funds: We also want you to know that not all Funds pay the same amount of fees and compensation to us, and not all Funds pay according to the same formula. Because of this, the amount of fees and payments we receive varies by Fund, and we may receive greater or lesser fees and payments depending on which Funds your plan selects for investment.

For Example:

As one of its selected Funds, the Any Company Retirement Plan maintains an average balance of \$100,000 in shares of Fund A during the year. If Fund A's principal underwriter pays us a Distribution Fee at a rate of 0.50% of assets annually, and Fund A's transfer agent pays us an Administrative Service Fee at a rate of 0.25% of assets annually, we would receive \$500 in Distribution Fees and \$250 in Administrative Service Fees, for a total of \$750 for that year due to the Plan's investment in Fund A.

The Plan also maintains an average balance of \$100,000 in shares of a different Fund B during the year. If Fund B's principal underwriter pays us a Distribution Fee at a rate of 0.25% of assets annually, and Fund B's transfer agent pays us an Administrative Service Fee at a rate of \$12 per Plan participant account invested in the Fund, and there are 20 participants with an account balance invested in Fund B, we would receive \$250 in Distribution Fees and \$240 in Administrative Service Fees, for a total of \$490 for that year due to the Plan's investment in Fund B.

Funds Affiliated with Us: Some of the Funds offered to your plan through the Contracts are part of our own affiliated family of Funds. In addition to any fees and payments we may receive with respect to those Funds, one or more of our affiliates receives compensation from our Funds, including among other things a management fee and Rule 12b-1 fees from the Funds. Please see the Fund prospectus in addition to the **Investment Option Menu Disclosure Chart** in **Appendix I** to this Disclosure Statement (if you are an existing customer) or located in your proposal accompanying this Disclosure Statement (if you are a prospective purchaser).

Use of the Payments:

- **Our Compensation** - The fees and payments we receive with respect to the Funds are a significant component of our compensation for our services under the retirement services program. We expect to make a profit on the amount of the fees and payments that exceed our own expenses, including our expenses of paying compensation to broker-dealers, financial institutions and other persons for selling the Contracts, and our expenses of providing recordkeeping and other administrative services to the plans. Our methodology and assumptions for determining our fees for recordkeeping and administrative support services is explained in the "Cost Estimate of Recordkeeping Services" Table in the Section of this Disclosure Statement titled "Your Plan's Initial Schedule of Fees and Charges".
- **Plan Expense Reimbursement Arrangements** - In the case of certain plans, we have made arrangements with the plan sponsor to credit some of the fees and payments we receive with respect to the plan's investment in the Funds, which may include revenue sharing, to the plan's account as a result of negotiations over the price for our services under the retirement services program. Such amounts may be used for the purpose of offsetting recordkeeping and other service fees the plan would otherwise pay to us, or for use by the plan to pay other plan service providers.

For More Information about Specific Funds: To see the rate of fees and payments we receive with respect to a specific Fund on the Investment Menu for your Contract please refer to the **Investment Option Menu Disclosure Chart** or you may contact us at the toll free telephone number and our address under " *For More Information*" in the Section of the Disclosure Statement titled "Overview of this Disclosure Statement".

Float Compensation

By signing the Application for Recordkeeping Services and the Administrative Services Agreement, you are agreeing that Hartford will be entitled to keep for its own benefit any earnings on plan receipts or disbursements (called "float") as additional compensation for its recordkeeping and nondiscretionary administrative services. When receipts and disbursements are held in the bank accounts used for transaction processing ("processing accounts") for a period of time, such amounts may be invested in a short-term investment before they are invested in or distributed from your Contract, as described in more detail below.

Additional information concerning the time frames during which float earnings may be earned by Hartford and rates at which earnings are expected to accrue to Hartford is also provided below.

Receipts

In certain instances when Hartford receives Contributions (as defined in your Contract) for your plan -- as plan contributions, loan repayments, rollover contributions, corrective contributions, restorative payments, settlement proceeds or as the transfer of all or most of the plan's assets from another provider in connection with your plan's transition to Hartford -- those amounts will generally be invested among your plan's investment options on the same day on which they are received, provided that the transaction is "in good order" (as defined in your Administrative Services Agreement) and received prior to the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time) ("Market Close") on that day.

However, if a transaction is "not in good order" when Hartford receives it, Hartford is unable to process the transaction until it receives the necessary information. If you instruct us to hold amounts that are not in good order while we seek to obtain the necessary information, such amounts will remain in the processing accounts, subject to short-term investment, and earn Hartford float compensation for up to twenty (20) days. In the event that Hartford has not received the necessary information as of the twentieth day, Hartford will return the amount to the plan sponsor, participant or another financial institution, as appropriate. The most common circumstances in which a transaction will not be in "good order" are: (1) the paperwork is incomplete, (2) the total dollar amount received is different than the total dollar amount identified on the accompanying information or "contribution detail", (3) investment direction is not provided or is incomplete, or (4) direction as to how to allocate the amounts among plan participants is not provided or is incomplete.

In addition, in the event that Hartford receives amounts after Market Close on a business day, such amounts will remain in the processing account, subject to short-term investment, and earn Hartford float compensation until the next business day on which the New York Stock Exchange is open for trading.

Disbursements

Hartford earns float compensation on amounts that have been transferred from the plan's investment options to the processing accounts and subject to investment through our short-term investment pool. This generally occurs when a check is issued in the following circumstances:

- for any benefit payment to any plan participant, beneficiary or alternate payee
- to return to the plan sponsor excess or erroneous contributions or amounts that Hartford received that were "not in good order"
- to pay the fees of another service provider (e.g., the plan's trustee, third party administrator, consultant, as applicable)
- to return to the applicable individual or financial institution amounts that have been determined to be ineligible for contribution to the plan (e.g., an ineligible rollover contribution or plan-to-plan transfer)
- for amounts withheld in conjunction with federal and state taxes
- to transfer the plan's assets to its new service provider in conjunction with the discontinuance of the plan's Hartford contract and termination of Hartford's services.

In the case of disbursements by check, the period during which Hartford will earn float compensation extends from the business day on which the disbursement request is processed (typically the same day it is received) until the date that the assets associated with the check are transferred from the processing account to the recipient bank. Hartford will continue to earn float compensation while the check remains outstanding (even after the check may be deemed "stale") and the associated amount remains in the processing account until the amounts are transferred from the processing accounts at the fiduciary's direction.

Hartford will generally issue disbursement checks from the processing accounts by the close of business on the business day next following the date on which the disbursement request is processed. Typically, the check is mailed on the business day that comes after the business day on which the check is issued.

Other Circumstances in which Float may be Earned

Apart from the specific circumstances outlined above when Hartford typically earns float compensation on receipts or disbursements, Hartford may earn float compensation in other circumstances not typically encountered in its day-to-day operations. In general, any amounts that remain in the processing accounts for a period of time is subject to short-term investment thereby earning Hartford float compensation until the underlying funds are transferred back to and out of the processing account en route to the appropriate recipient.

Description of Rate of Float Earnings

The rate of return Hartford earns as a result of the short-term investment of amounts held in the processing account varies. Currently, the rate generally approximates the yield on 3-month U.S. Treasury bills. In the past, the approximate average annual earnings rate for the short-term investment pool has been as follows:

2011	0.07%
2010	0.14%
2009	0.40%
2008	2.62%

The investment strategy and the rates of return for the short-term investment pool vary as market conditions change.

Additional Information Available

Please contact your Hartford Client Service Manager with any questions or requests for additional information or contact us at our toll free telephone or address under "For More Information" in the Section of the Disclosure Statement titled "Overview of this Disclosure Statement".

Compensation Hartford Pays to Financial Intermediaries

This Section of the Disclosure Statement contains disclosure about payments we make to broker-dealer firms, financial institutions, insurance agents and others ("Financial Intermediaries") that distribute our Contracts and retirement services programs that we offer for employer-sponsored retirement plans. It also discusses additional payments and compensation we pay to certain selected Financial Intermediaries in connection with these programs, including incentive cash and non-cash compensation. If you have any questions about these payments, please ask us or your Financial Intermediary representative for more information.

We have entered into selling agreements with Financial Intermediaries, including our own affiliated broker-dealers, Woodbury Financial Services, LLC and Hartford Securities Distribution Company, Inc., to sell the Contracts and retirement services programs. Financial Intermediaries receive compensation as described below:

Commissions We Pay to Financial Intermediaries

We compensate Financial Intermediaries for the sale and service of our products. In most cases, Financial Intermediaries are paid a commission, which may be fixed or based on a percentage of deposits or average net assets (or aged assets) of the contracts attributable to a particular Financial Intermediary. The level of commission payable for the sale and service of our products is determined by Hartford and the Financial Intermediary at the time of the sale. Your Financial Intermediary representative can choose from different levels of commission rates (from lower to higher). A higher rate of commissions may require a higher Program and Administrative charge for your plan or that the Investment Option Menu made available to you to select investment options for your plan is based on a more expensive Fund share class. The commission option selected by your Financial Intermediary representative appears in the Section of this Disclosure Statement titled "Your Plan's Initial Schedule of Fees and Charges" under the table called "Our Expenses for Compensation we pay to Financial Intermediaries".

ERISA Prohibited Transaction Exemption 84-24 (PTE 84-24) requires the disclosure of: (a) The amount of commissions that will be paid relative to the sale of an insurance contract and (b) any charges, fees, discounts, penalties, or adjustments which may be imposed under an insurance contract purchased with plan assets. PTE 84-24 further requires an independent fiduciary acknowledge this disclosure in writing and approve the payment of such amounts on behalf of the plan. You should know that (1) the Financial Intermediary representative identified in the Section of the Installation Booklet titled "Financial Professional Information" is a licensed agent of Hartford, (2) the agent's sales agreement with Hartford does not limit the agent's ability to recommend insurance agreements issued by other insurance companies unless your Financial Intermediary is our affiliated broker-dealer, Hartford Securities Distribution Company, Inc., and (3) if the application for the proposed contract is accepted, projected sales commissions for the first year and each succeeding year will be paid in accordance with the schedule in the table called "Our Expenses for Compensation we pay to Financial Intermediaries" appearing in the Section of this Disclosure Statement titled "Your Plan's Initial Schedule of Fees and Charges".

By signing the Application for Recordkeeping Services, you are acknowledging receipt of the information required to be disclosed to you under PTE 84-24 and approving the payment of the commission described in the table mentioned above and the charges, fees, discounts, penalties, or adjustments described above which may be imposed for this product /program.

Additional Compensation We Pay to Financial Intermediaries

In addition to commissions, certain selected Financial Intermediaries may be eligible for various forms of incentive compensation, including cash and non-cash awards. Such incentive compensation is based on a variety of factors that may include the level of average net assets (or aged assets) invested in the contracts, retention and growth of assets, overall profitability, or other performance measures. Consistent with FINRA Rules, we may also provide cash and non-cash compensation such as: occasional meals and entertainment; occasional tickets to sporting events; nominal gifts; sponsorship of sales contests and/or promotions in which participants receive prizes such as travel awards and merchandise; sponsorship of training and educational events; and/or due diligence meetings. We want you to know that additional compensation creates a potential conflict of interest in the form of an additional financial incentive for a Financial Intermediary to recommend the selection of our Contracts over other contracts. If we pay your Financial Intermediary Additional Compensation it will be described in the table called "Our Expenses for Compensation we pay to Financial Intermediaries" appearing in the Section of this Disclosure Statement titled "Your Plan's Initial Schedule of Fees and Charges".

Other Compensation Hartford Pays to Third Parties

Fees and Compensation Paid to Mesirow Financial Investment Management, Inc.

Fiduciary Assure® Program: Fiduciary Assure is an investment advisory service supported by Mesirow Financial Investment Management, Inc. ("Mesirow Financial"), an investment adviser registered with the SEC under the Investment Advisers Act of 1940. We have a contract with Mesirow Financial under which Mesirow Financial provides services for the Fiduciary Assure Program. Mesirow Financial is not affiliated with us or any of our affiliates.

As more fully discussed under Fiduciary Assure Optional Program Overview in the "Application for Recordkeeping Services" Section of the Installation Booklet, the Fiduciary Assure service is available under our retirement services program to you as plan sponsor, to help you select the investment options for your plan. When you participate in the Fiduciary Assure Program, Mesirow Financial will be an investment adviser to your plan with respect to the investment option selection and monitoring services it provides to your plan under the terms of its Advisory Services Agreement with you. If you elect to participate in Fiduciary Assure, Mesirow Financial will acknowledge that it is acting as a fiduciary under Section 3(21)(A)(ii) of ERISA with respect to your plan and will agree to discharge its duties regarding its services for the selection and monitoring of your plan's investment options on the Elite List or Suggested List in accordance with the standard of care applicable under ERISA as described in your Advisory Services Agreement with Mesirow Financial.

- **No Additional Charge to Your Plan:** The fee for the Fiduciary Assure service is included in the fee for our retirement services program. We will not charge you or the plan an additional fee for electing the Fiduciary Assure service.
- **Compensation We Pay to Mesirow Financial with respect to the Fiduciary Assure Program:** We pay Mesirow Financial an annual fee for its services with respect to the Fiduciary Assure Program. This annual fee is comprised of a flat fee of \$300,000 plus an asset-based fee, computed using a tiered scale based on assets from 2.50 basis points to 0.9 basis points.

√ Based on 2011 reports, we estimate the amount of the total annual fee we paid to Mesirow Financial for its services for 2011 for the Fiduciary Assure service was \$1,902,000., which equals approximately 1.817 basis points per participating plan (computed by dividing the total annual fee by the number of plans participating in the Fiduciary Assure Program).

Hartford is not acting as an investment adviser to you or the plan in respect to the services provided by Mesirow Financial. Hartford provides certain administrative and other services to facilitate the services provided by Mesirow Financial. Neither Hartford nor Mesirow has authority, responsibility or discretion with respect to the determination of the investment options under the plan and neither party is authorized to provide any investment advice to a plan participant in connection with the services provided by Mesirow Financial. Mesirow Financial is only authorized to provide investment advice to a plan sponsor in connection with its services.

We also pay Mesirow Financial an annual flat fee for their consulting services to us associated with the Model My Goals asset allocation program as described below:

Model My Goals Program: We have a contract with Mesirow Financial under which Mesirow Financial develops for us certain pre-defined, risk based asset allocation model portfolios in the form of "pie charts" (ranging from

Conservative to Aggressive). These are generic model portfolios that describe only asset categories (e.g., Large Cap Domestic Equity, Mid Cap Domestic Equity, Small Cap Domestic Equity, Large Cap International Equity, Domestic Fixed Income, and Cash Equivalent/Principal Focused - Extended Duration), and do not indicate any specific investments or funds for any of the asset categories.

As more fully described under "Model My Goals Asset Allocation Optional Program Overview" in the "Application for Recordkeeping Services" Section of the Installation Booklet, you may make these model portfolios available to your plan participants to help them select investment options for their participant accounts from the investment options you have selected and made available to them in your plan. If you choose to engage a financial professional (not affiliated with us) to assist you by recommending specific investment options from your plan's investment options to populate the models, we will provide you with administrative support services in the form of quarterly, semi-annual or annual rebalancing services on our defined contribution recordkeeping system.

Neither Mesirow Financial nor Hartford acts as a fiduciary to your plan in connection with these model portfolios.

- **Compensation We Pay to Mesirow Financial with respect to the Model Portfolios:** For their services of developing these models and related educational materials for our use with our retirement services programs, we pay Mesirow Financial an annual fee of \$125,000.

Other Services: Unrelated to the Fiduciary Assure® Program and Model My Goals® Program, Mesirow Financial or its affiliates also place property or casualty insurance, and have placed annuities or life insurance issued by us or our affiliates. In some cases Mesirow Financial or its affiliates may be compensated for such placement by us or our affiliates; in other cases, Mesirow Financial or its affiliates may be compensated by the purchaser.

Fees and Compensation Paid to Morningstar Associates, LLC

We have a license agreement with Morningstar Associates, LLC for the Advice and Guidance services we offer you. These services are discussed under "Morningstar Retirement Manager Optional Services" in the "Application for Recordkeeping Services" Section of the Installation Booklet.

- We estimate that we paid Morningstar \$45.54 per plan for the licensed Guidance and Advisory services in 2011. This estimate is determined by dividing the total fee we paid to Morningstar under our agreement with Morningstar Guidance and Advisory services by the number of plans for which these services were made available in 2011.

We also have a license agreement with Morningstar, Inc. for various information and data such as fund expense ratios, fund performance history, and other data that we use to provide various services, reports, investment option information summaries, and other services and materials to plan sponsors and participants under our retirement services programs.

- We estimate that we paid Morningstar \$8.48 per plan for the licensed data services in 2011. This estimate is determined by dividing the total fee we paid to Morningstar under our agreement with Morningstar for data services by the number of plans for which we provided any services using data from Morningstar in 2011.

Fees and Compensation Paid to Reliance Trust Company

We have entered into an agreement with Reliance Trust Company pursuant to which RTC provides fiduciary services to plans, plan sponsors and other organizations and entities providing services or assistance to plans and/or plan sponsors (the "Service Agreement") as part of the retirement services program for the plans. RTC and Hartford are not affiliated. The Service Agreement generally provides for payment by Hartford of the following fees to RTC for plans purchasing a Contract issued by Hartford Life Insurance Company:

- **Directed Trust services:** Annual flat fee of \$400 per plan utilizing a Contract issued by Hartford Life Insurance Company, plus a minimum plan set-up fee for negotiated trust documents of \$450.
- **Unitization/custodial services for employer stock:** Annual asset based fee equal to 5 basis points (0.0005) of the asset value invested in employer stock subject to a minimum annual fee of \$4,500; brokerage commissions and transaction fees (\$250 per in-kind contribution, \$75 per in-kind distribution) also apply.

- **Unitization/custodial services for fund of funds (fee applies to all aggregate fund of funds accounts):** Annual asset based fee equal to 5 basis points (0.0005) of the asset value up to \$25 million and 3 basis points (0.0003) of the asset value greater than \$25 million subject to a minimum annual fee of \$7,300.
- **Unitization/custodial services for other outside assets (stable value, separate accounts and unique investment options):** Annual asset based fee equal to 5 basis points (0.0005) of the asset value invested in the unitized account subject to a minimum annual fee of \$7,300. Brokerage commissions will apply, as applicable.

RTC directly bills Hartford for these fees on a quarterly basis. These fees may be modified or supplemented as agreed by the parties to the Service Agreement.

The trust, custody or other agreement between RTC and a plan sponsor may provide for another schedule of compensation. Under the Service Agreement, we will provide administration services to RTC, and where appropriate act as RTC's agent, for all trustee and custodian administration functions and responsibilities assumed by RTC under the Trust Agreements and Custody Agreements entered into in connection with the Agreements. In some cases, we or one of our affiliates receive "float" earned on deposit and bank accounts maintained in connection with RTC trust or custody arrangements. For more information on Float Compensation, please see the discussion under Float Compensation in the Compensation and Fees Section of this Disclosure Statement. Additionally, for plans that have employer stock as an investment option for which RTC provides unitized accounting services, RTC may receive proprietary research and other brokerage services (collectively referred to as "Research") from certain broker-dealers under "soft dollar" arrangements that comply with Section 28(e) of the Securities Exchange Act of 1934. This type of proprietary research generally does not have an identifiable price. RTC is eligible to receive Research by sending trades and paying commissions to approved executing broker-dealers. Research generally may include, but is not limited to, access to company executives, conferences, analysis, forecasting services, research and road-show visits. The parties listed immediately below are the top five brokers (listed alphabetically) who provided the most significant amounts of Research to RTC. For a full list of brokers providing Research, please contact RTC directly at (404) 965-7234.

Top Five Brokers Providing Research to Reliance Trust Company		
Assent, LLC	Bank of America/Merrill Lynch	BNY/ConvergEx Group
JonesTrading Institutional Services, LLC	Weeden & Co., LP	

Appendix I - Investment Option Menu Disclosure Chart
Dated as of March 31, 2012

023592 GRAMMER 401(K) PLAN

Revenue Sharing Received by The Hartford from Underlying Funds (1)							
Investment Options (2)	Underlying Share Class	Average Balance (3)	Revenue Sharing Rate (%) Paid to The Hartford(1)	Estimated Revenue Sharing Received (4)	Underlying Fund Gross Expense Ratio as of the Fund's Year End (5)	Separate Acct Charge (6)	Estimated Separate Account Fee Dollar Amount (7)
MFS VALUE A	A	\$21,058	0.65%	\$137	0.95%	0.85%	\$179
HARTFORD TOTAL RET BOND HLS IB	IB	\$41,747	0.50%	\$209	0.75%	0.85%	\$355
PIMCO FOR BD(US DOLLAR-HEDGED) A	A	\$94,370	0.40%	\$377	0.90%	0.85%	\$802
JANUS FORTY S	S	\$191,642	0.50%	\$958	1.18%	0.85%	\$1,629
FIXED ACCOUNT		\$262,280	0.00%	\$0	0.00%	0.00%	\$0
PUTNAM INTERNAT'L EQUITY A	A	\$88,461	0.50%	\$442	1.37%	0.85%	\$752
OPPENHEIMER CAPITAL APP A	A	\$35,305	0.55%	\$194	1.15%	0.85%	\$300
LORD ABBETT BOND DEBENTURE P	P	\$143,364	0.70%	\$1,004	1.07%	0.85%	\$1,219
HARTFORD CAPITAL APP HLS IB	IB	\$359,226	0.50%	\$1,796	0.92%	0.85%	\$3,053
FIDELITY ADV STOCK SEL MID CAP T	T	\$220,161	0.60%	\$1,321	1.13%	0.85%	\$1,871
AMERICAN FUNDS AMERICAN BAL R3	R3	\$220,987	0.65%	\$1,436	0.95%	0.85%	\$1,878
ALLIANZ MID-CAP VALUE A	A	\$305,376	0.50%	\$1,527	1.26%	0.85%	\$2,596
HARTFORD INDEX HLS IB	IB	\$59,759	0.50%	\$299	0.59%	0.85%	\$508

023592 GRAMMER 401(K) PLAN

Revenue Sharing Received by The Hartford from Underlying Funds (1)							
Investment Options (2)	Underlying Share Class	Average Balance (3)	Revenue Sharing Rate (%) Paid to The Hartford(1)	Estimated Revenue Sharing Received (4)	Underlying Fund Gross Expense Ratio as of the Fund's Year End (5)	Separate Acct Charge (6)	Estimated Separate Account Fee Dollar Amount (7)
DAVIS NEW YORK VENTURE A	A	\$58,964	0.25%+ .10% + \$12/participant	\$314	0.89%	0.85%	\$501
INVESCO SMALL CAP GROWTH A	A	\$230,736	0.60%	\$1,384	1.25%	0.85%	\$1,961
AMERICAN FUNDS NEW PERSPECTIV R3	R3	\$236,345	0.65%	\$1,536	1.11%	0.85%	\$2,009
AMERICAN FUNDS GR FD OF AMER R3	R3	\$242,959	0.65%	\$1,579	0.97%	0.85%	\$2,065
TEMPLETON FOREIGN A	A	\$148,263	0.25%+ .10% + \$12/participant	\$711	1.17%	0.85%	\$1,260
AMERICAN FUNDS WASHMUTUAL INV R3	R3	\$119,838	0.65%	\$779	0.97%	0.85%	\$1,019
GOLDMAN SACHS SMALL CAP VALUE A	A	\$187,098	0.55%	\$1,029	1.46%	0.85%	\$1,590

023592 GRAMMER 401(K) PLAN

Revenue Sharing Received by The Hartford from Underlying Funds (1)							
Investment Options (2)	Underlying Share Class	Average Balance (3)	Revenue Sharing Rate (%) Paid to The Hartford(1)	Estimated Revenue Sharing Received (4)	Underlying Fund Gross Expense Ratio as of the Fund's Year End (5)	Separate Acct Charge (6)	Estimated Separate Account Fee Dollar Amount (7)
PIMCO TOTAL RETURN A	A	\$204,819	0.40%	\$819	0.85%	0.85%	\$1,741
Totals:		\$3,472,760		\$17,853			\$27,289

Annual maintenance fee:	\$950	per year
Per-Participant fee:	\$10	per year

- (1) Revenue Sharing** means any compensation paid, directly or indirectly, by a fund company to The Hartford under the terms of an agreement.
- (2) Investment Options** are the investment choices in the plan as reflected on The Hartford's recordkeeping system as of the effective date of this report.
- (3) Average Balance** is the average total balance for your plan for the reporting period. The reporting period is the time period that covers the four calendar quarters immediately prior to the effective date of this report. The average is calculated by adding together the plan's average account balance for each quarter in the reporting period and dividing it by the number four. Each quarterly average account balance is calculated by adding together the plan's quarter-end account balance with the plan's prior quarter-end account balance and dividing it by the number two
- (4) Estimated Revenue Sharing Received** is calculated by multiplying the **Average Balance** by the **Revenue Sharing Rate Paid to The Hartford**.
- (5) Underlying Fund Gross Expense Ratio** is the amount deducted by the Fund Company from the assets of the underlying fund to pay for investment management fees, distribution and service fees (12b-1 fees), and other fund-related expenses. We say "gross expense ratio" because the amount shown represents the underlying fund's expense ratio before any fee waivers or expense reimbursements, as disclosed in the fund's prospectus or annual report as supplied by a third-party vendor of the fund company.
- (6) Separate Account Charge** is deducted from the assets of the separate account under the plan's Contract as compensation for The Hartford's services.
- (7) Estimated Separate Account Fee Dollar Amount** is calculated by multiplying the **Average Balance** by the **Separate Account Charge**.

