Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1976

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

BROWN DISTRIBUTING COMPANY, LTD

8711 JOHNNY MORRIS ROAD
AUSTIN, TX 78724-2006

2b Employer Identification Number (EIN) 74-2983920

2c Sponsor's telephone number 512-478-9353

2d Business code (see instructions) 424800

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.	09/13/2012	GAYLE A NIXON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/13/2012	GAYLE A NIXON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BROWN DISTRIBUTING COMPANY, LTD

8711 JOHNNY MORRIS ROAD
AUSTIN, TX 78724-2006

3b Administrator's EIN
74-2983920

3c Administrator's telephone number
512-478-9353

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	338
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**	364
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	40
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	404
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	404
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	336
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	53
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 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)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

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

A Name of plan
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

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

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

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

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

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

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

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

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

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

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

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

(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)

RETIREMENT HORIZONS INC.

76-0551734

(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	NONE	25001	Yes [ ] No [X]	Yes [ ] No [X]	983	Yes [ ] No [X]

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

MAXWELL LOCKE & RITTER

74-2900215

(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?
27	NONE	46030	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

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

TD AMERITRADE TRUST COMPANY

84-0519832

(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?
21	NONE	7771	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

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)

BULL & ASSOCIATES

74-2674816

(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?
10	NONE	9910	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1114	1619
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		3906
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	304319	267048
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	506727	645233
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	14984971	14966049
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(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	15797131	15883855
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	2041	151
k Total liabilities (add all amounts in lines 1g through1j)	1k	2041	151
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	15795090	15883704

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	333300	
(B) Participants	2a(1)(B)	867006	
(C) Others (including rollovers)	2a(1)(C)	14026	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1214332
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	124	
(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)	29608	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		29732
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	372404	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		372404
(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)		
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-684830
c Other income	2c		983
d Total income. Add all **income** amounts in column (b) and enter total	2d		932621
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	738796	
(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)		738796
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		19392
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	64309	
(2) Contract administrator fees	2i(2)	9910	
(3) Investment advisory and management fees	2i(3)	11125	
(4) Other	2i(4)	475	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		85819
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		844007
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		88614
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: BULL & ASSOCIATES (2) EIN: 74-2674816

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

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): 84-0519832

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

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

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

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

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

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

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

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

as of December 31, 2011 and 2010
and for the years then ended

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

FINANCIAL STATEMENTS

December 31, 2011 and 2010

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS:

Independent Auditors' Report 1

Statements of Net Assets Available for Benefits at December 31, 2011 and 2010 2

Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2011 and 2010 3

Notes to Financial Statements 4-11

SUPPLEMENTAL SCHEDULE:

Schedule of Assets (Held at End of Year) 13

Bull
& Associates
Certified Public Accountants

Independent Auditors' Report

To the Advisory Committee of the
401(k) Plan for Brown Distributing Company, LTD.

We were engaged to audit the financial statements of the 401(k) Plan for Brown Distributing Company, LTD. (the "Plan") as of December 31, 2011 and 2010, and for the years then ended, and the supplemental schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule 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 C, which was certified by TD Ameritrade Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. 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 years ended December 31, 2011 and 2010, 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 schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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 schedule, other than that derived from the information certified by the trustee, 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.

Austin, Texas
August 14, 2012

Bull & Associates

901 S. Mopac Expressway • Barton Oaks Plaza II • Suite 385
Austin, Texas 78746
Phone (512) 328-3111 • Fax (512) 328-2211

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
Assets:		
Investments at fair value:		
Money market	$ 267,048	$ 304,319
Mutual funds	14,966,049	14,984,971
	15,233,097	15,289,290
Receivables:		
Employer's contributions	1,619	1,144
Accrued other	4,197	-
Notes receivable from participants	645,233	505,168
	651,049	506,312
Total assets	15,884,146	15,795,602
Liabilities:		
Other liabilities	-	-
Total liabilities	-	-
Net Assets Available for Benefits	$15,884,146	$15,795,602

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

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31, 2011 and 2010

	2011	2010
Additions (subtractions) to net assets attributed to:		
Contributions:		
Participant	$ 867,006	$ 864,010
Employer	333,668	343,396
Rollover	14,026	1,602
Miscellaneous additions	291	576
Total contributions	1,214,991	1,209,584
Appreciation (depreciation) of investments:		
Net gain (loss) from mutual funds	(684,839)	1,757,414
Interest and dividends	372,532	322,924
Participant loan interest	29,608	24,618
Total appreciation (depreciation)	(282,699)	2,104,956
Total additions (subtractions)	932,292	3,314,540
Deductions from net assets attributed to:		
Benefits paid to participants	758,614	465,522
Administrative fees	85,134	79,568
Total deductions	843,748	545,090
Increase (decrease) in net assets available for plan benefits	88,544	2,769,450
Net assets available for benefits:		
Beginning balance	15,795,602	13,026,152
Ending balance	$15,884,146	$15,795,602

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

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan

The following is a brief description of the 401(k) Plan for Brown Distributing Company, LTD. (the "Plan"). It is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

1. General. The Plan is a contributory discretionary plan covering substantially all employees of Brown Distributing Company, LTD. (the "Company"). It is subject to the provisions of the Employee Retirement Income Security act of 1974 (ERISA).

2. Trust Fund Management. TD Ameritrade Trust Company (the "Trustee") serves as the trustee for the Plan during 2011 and 2010 and Retirement Horizons Inc. serves as the recordkeeper for the Plan. Under the terms of the agreement, the Trustee is responsible for the safekeeping of assets and the maintenance of records relating to receipts and disbursements. The Trustee and recordkeeper are parties-in-interest.

3. Eligibility. Employees are eligible to participate in the Plan if they have attained the age of eighteen and completed one month of credited service. Once an employee has satisfied the Plan's eligibility requirements, the employee will become a participant in the Plan on the first day of the subsequent month.

4. Contributions. Employer contributions are not required and are at the discretion of the employer. As of December 31, 2011 and 2010 employer contributions have been made at 50% of the salary reduction contributions, limited to 6% of compensation per participant. Additional employer contributions may be made at the discretion of the Company's management. Participants direct the investment of their contributions into various investment options offered by the Plan.

5. Participant Accounts. Each participant's account is credited with the participant's contribution and allocations of (a) Employer contributions, and (b) Plan earnings. Allocations of earnings are based on account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

6. Vesting. Participants are fully vested in their salary reduction contributions at all times. Vesting in the employer contributions is graded, with participants becoming 100% vested after six years of eligible service. A year of eligible service is defined as a Plan year in which the participant works at least 1,000 hours. Participants' vested percentages are based on their years of service. Regardless of years of service, however, an employee is 100% vested upon death, disability or retirement date.

7. Payment of Benefits. Vested benefits are paid to participants upon death, disability, retirement or termination of employment, by either arranging for a rollover to another plan, lump sum payment, or installments. Hardship withdrawals are also permitted if certain criteria are met.

Continued

8. Forfeitures. Forfeitures by participants of non-vested Company contributions are first used to reduce Plan administrative expenses, then reduce employer matching contributions and lastly, may be allocated to Participants as an additional employer non-elective contribution.

   During the years ended December 31, 2011 and 2010, respectively, $39,201 and $24,007 were forfeited by participants. During the years ended December 31, 2011 and 2010, $21,463 and $21,060 of forfeitures were used to pay administrative expenses, respectively and $11,238 and $9,698 was used to reduce employer matching contributions during December 31, 2011 and 2010. At December 31, 2011 and 2010, unallocated forfeited non-vested accounts were $10,329 and $3,829, respectively.

9. Administrative Expenses. All reasonable expenses related to Plan administration may be paid from Plan assets, except to the extent the expenses are paid by the Company.

10. Participant Loans. Participants are permitted to borrow from their account when a financial hardship or specified financial need occurs as described in the Summary Plan Description. Participants may borrow the smaller of 50% of their vested account balance or $50,000. The minimum that can be borrowed is $1,000 and only one loan can be outstanding at a time. Repayment of the loan is required through payroll deduction within a period of one to five years at an interest rate of prime (as published in the Wall Street Journal) plus one percent.

B. Summary of Significant Accounting Policies

1. Basis of Presentation. The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and changes in those net assets.

2. Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Risk and Uncertainties. The Plan provides for various investment options, as described in the supplemental schedule. These investments are exposed to various risks, such as interest rate, prepayment, and market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in the near-term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

4. Valuation of Investments. Quoted market prices are used to value investments where available. The market values of investments are based on closing market values provided by TD Ameritrade Trust Company (Trustee) as of December 31, 2011 and 2010.

5. Net Appreciation in Fair Value of Investments. Realized gains (losses) and unrealized appreciation (depreciation) are recorded in the accompanying financial statements as net gain (loss) in the fair value of investments.

6. Recognition of Benefits. Benefits are recorded when paid.

7. Notes Receivable from Participants. Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

8. Change in Classification. Participant loans have historically been classified as investments and measured at fair value in the Plan's statement of net assets available for benefits. However, in September 2010, the FASB issued ASU No. 2010-25, *Plan Accounting – Defined Contribution Pension Plans* (Topic 962): *Reporting Loans to Participants by Defined Contribution Pension Plans.* ASU No. 2010-25 requires participant loans to be classified as notes receivable from participants and measured at their unpaid principal balances plus any accrued but unpaid interest. ASU No. 2010-25 is effective for years ending after December 15, 2010. The guidance in ASU No. 2010-25 has been applied retrospectively to prior periods presented in these financial statements.

C. Investments

The Trustee holds the Plan's investments and executes investment transactions. The investments and earnings listed below have been certified 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. No auditing procedures were performed with respect to the information listed below except for comparing the information with the related information included in the financial statements and supplemental schedule.

The following present's investments at December 31, 2011 and 2010 as certified by the trustee and not audited by independent auditors. Investments that represent five percent or more of the Plan's net assets are designated with an asterisk:

		Current Market Value 2011		2010
DFA Emerging Markets		$ 723,153		$ 704,743
DFA Interm Govt Fixed Income	*	1,740,802	*	1,860,701
DFA Intl Small Cap Value	*	934,558	*	1,019,899
DFA International Value III Fund	*	1,067,841	*	1,100,508
DFA One Year Fixed Income	*	2,052,830	*	2,006,661
DFA Real Estate Securities	*	857,629	*	871,127
DFA US Micro Cap	*	1,017,331	*	1,089,020
DFA US Small Cap Value	*	1,046,604	*	1,140,453
DFA US Large Cap Value III Fund	*	1,894,056	*	1,943,504
TD Bank USA Institutional, MMDA		256,544		298,425
TD Bank USA, MMDA		10,504		5,894
Vanguard 500 Index Single	*	2,440,445	*	2,468,770
Vanguard Healthcare		128,079		146,159
Vanguard Index Growth		204,658		182,788
Vanguard Inflation Protected Securities		553,726		170,119
Vanguard Mid Cap Index		219,202		197,498
Vanguard Small Cap Growth Index		85,135		83,021
Total investments, as certified		$ 15,233,097		$ 15,289,290

During the years ended December 31, 2011 and 2010, the Plan earned interest and dividends of $372,532 and $322,924, respectively. The net depreciation and appreciation in fair value of investment funds managed by the Trustee was $(684,839) and $1,757,414 for the years ended December 31, 2011 and 2010.

D. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts and distributions will be made as soon as administratively practicable after the Plan terminates.

E. Tax Status

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated in 2009. However, the Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

F. Withdrawing Participants

Participants requested distributions from the Plan prior to the Plan year-end but received those distributions after the Plan year-end. The respective amounts were $151 and $2,041 for the years ended December 31, 2011 and 2010. Line 1g of the Form 5500, which is unaudited, reports benefit claims processed and approved for payment as $0 for the years ended December 31, 2011 and 2010. These payables have not been accrued in the financial statements.

G. Reconciliation of Financial Statements to Schedule H of Form 5500

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

	2011	2010
Net assets available for benefits per the financial statements	$ 15,884,146	$ 15,795,602
Plus: Write off of defaulted loan	-	1,573
Less: Distributions requested but not paid by year-end	(151)	(2,041)
Additional forfeitures funded	(291)	-
Additional employer contribution	-	(30)
Additional loan interest	-	(14)
Net assets per Schedule H of the Form 5500	$ 15,883,704	$ 15,795,090

The following is a reconciliation of the increase in net assets available for benefits per the financial statements for the years ended December 31, 2011 and 2010 to Schedule H of Form 5500:

	2011	2010
Increase (decrease) in net assets available for benefits per the financial statements	$ 88,544	$ 2,769,450
Write off of defaulted loan	-	1,573
Distributions requested but not paid by year-end	(151)	(2,041)
Additional forfeitures funded	(291)	-
Additional employer contribution	-	(30)
Additional loan interest	-	(14)
Prior year net revenue sharing activity	-	(121)
Prior year write-off of defaulted loan	(1,573)	-
Prior year distributions requested but not paid by year-end	2,041	8,658
Prior year additional employer contribution	30	-
Prior year additional loan interest	14	-
Net income per the Form 5500	$ 88,614	$ 2,777,475

H. Fair Value Measurements

ASC Statement No. 820, previously FASB Statement No. 157, *Fair Value Measurements*, 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 Statement No. 820 are described as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or

Level 3: Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations.

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

The 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 and 2010.

Money Market: Valued at one dollar per share.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

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

	Fair Value Measurements Using		
	Level 1	**Level 2**	**Level 3**
Money Market	$ 267,048	$ -	$ -
Mutual Funds	14,966,049	-	-
Total assets at fair value	$15,233,097	$ -	$ -

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

	Fair Value Measurements Using		
	Level 1	**Level 2**	**Level 3**
Money Market	$ 304,319	$ -	$ -
Mutual Funds	14,984,971	-	-
Total assets at fair value	$15,289,290	$ -	$ -

I. Subsequent Event

Effective January 1, 2012, the Plan has been modified so that participants will no longer be automatically enrolled at a withholding amount of 2% of eligible compensation. Participants must enter into a salary deferral agreement authorizing the employer to withhold a portion of the participant's compensation as elective deferrals. Given the nature of this change we are not able to estimate the effects on benefits and net assets to the Plan.

The Plan sponsor discovered the Plan had been overbilled due to pass through credits of $3,499 not being applied to invoices for administrative fees. The Plan intends to take a future reduction in administrative fees during 2012 for $3,906 which includes the $3,499 of none applied past credits and $407 of calculated lost earnings. The $3,906 has been accrued as a receivable by the Plan as of December 31, 2011.

Subsequent events were evaluated through the date these financial statements became available which was August 14, 2012.

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

SUPPLEMENTAL SCHEDULE

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
EIN/PN: 74-2983920/001

ATTACHMENT TO FORM 5500 – SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2011

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	DFA Emerging Markets	Mutual funds, 30,422 units	**	$ 723,153
	DFA Interm Govt Fixed Income	Mutual funds,134,736 units	**	1,740,802
	DFA Intl Small Cap Value	Mutual funds, 68,818 units	**	934,558
	DFA International Value III Fund	Mutual funds, 77,548 units	**	1,067,841
	DFA One Year Fixed Income	Mutual funds, 199,303 units	**	2,052,830
	DFA Real Estate Securities	Mutual funds, 37,142 units	**	857,629
	DFA US Micro Cap	Mutual funds, 76,953 units	**	1,017,331
	DFA US Small Cap Value	Mutual funds, 45,190 units	**	1,046,604
	DFA US Large Cap Value III Fund	Mutual funds, 129,287 units	**	1,894,056
*	TD Bank USA Institutional, MMDA	Money market, 256,544 units	**	256,544
*	TD Bank USA, MMDA	Money market, 10,504 units	**	10,504
	Vanguard 500 Index Signal	Mutual funds, 25,514 units	**	2,440,445
	Vanguard Healthcare	Mutual funds, 994 units	**	128,079
	Vanguard Index Growth	Mutual funds, 6,437 units	**	204,658
	Vanguard Inflation Protected Securities	Mutual funds, 39,243 units	**	553,726
	Vanguard Mid Cap Index	Mutual funds, 11,155 units	**	219,202
	Vanguard Small Cap Growth Index	Mutual funds, 3,961 units	**	85,135
*	Participant loans	Maturity is up to 5 years 4.25% to 10.50% collateralized by individual participant accounts	-0-	645,233
				$15,878,330

* Party-in-interest
** Participant directed, cost not required

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
EIN/PN: 74-2983920/001

ATTACHMENT TO FORM 5500 – SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2011

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	DFA Emerging Markets	Mutual funds, 30,422 units	**	$ 723,153
	DFA Interm Govt Fixed Income	Mutual funds,134,736 units	**	1,740,802
	DFA Intl Small Cap Value	Mutual funds, 68,818 units	**	934,558
	DFA International Value III Fund	Mutual funds, 77,548 units	**	1,067,841
	DFA One Year Fixed Income	Mutual funds, 199,303 units	**	2,052,830
	DFA Real Estate Securities	Mutual funds, 37,142 units	**	857,629
	DFA US Micro Cap	Mutual funds, 76,953 units	**	1,017,331
	DFA US Small Cap Value	Mutual funds, 45,190 units	**	1,046,604
	DFA US Large Cap Value III Fund	Mutual funds, 129,287 units	**	1,894,056
*	TD Bank USA Institutional, MMDA	Money market, 256,544 units	**	256,544
*	TD Bank USA, MMDA	Money market, 10,504 units	**	10,504
	Vanguard 500 Index Signal	Mutual funds, 25,514 units	**	2,440,445
	Vanguard Healthcare	Mutual funds, 994 units	**	128,079
	Vanguard Index Growth	Mutual funds, 6,437 units	**	204,658
	Vanguard Inflation Protected Securities	Mutual funds, 39,243 units	**	553,726
	Vanguard Mid Cap Index	Mutual funds, 11,155 units	**	219,202
	Vanguard Small Cap Growth Index	Mutual funds, 3,961 units	**	85,135
*	Participant loans	Maturity is up to 5 years 4.25% to 10.50% collateralized by individual participant accounts	-0-	645,233
				$15,878,330

* Party-in-interest
** Participant directed, cost not required