

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 <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>AEROFIT, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>06/01/1991</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>AEROFIT, INC.</u> <u>1425 S. ACACIA AVENUE</u> <u>FULLERTON, CA 92831</u>	2b Employer Identification Number (EIN) <u>83-0385993</u> 2c Sponsor's telephone number <u>714-521-5060</u> 2d Business code (see instructions) <u>336410</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	<u>Filed with authorized/valid electronic signature.</u>	<u>09/17/2012</u>	<u>PAUL DALLURA</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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") AEROFIT, INC. 1425 S. ACACIA AVENUE FULLERTON, CA 92831	3b Administrator's EIN 83-0385993 3c Administrator's telephone number 714-521-5060
--	---

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	173
---	----------	-----

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	132
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	48
d Subtotal. Add lines 6a , 6b , and 6c	6d	181
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	181
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	161
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	13

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 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
--	--

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

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2011 <hr/> 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 AEROFIT, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 AEROFIT, INC.	D Employer Identification Number (EIN) 83-0385993	

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.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier

JOHN HANCOCK 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
01-0233346	65838		0	01/01/2011	02/28/2011

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 1396	(b) Total amount of fees paid 711
--	--

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

INTERSECURITIES INSURANCE AGENCY
P.O. BOX 9053
CLEARWATER, FL 33758

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1396			3

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

S-P-S STRATEGIC PENSION SERV
18301 VON KARMAN AVENUE, SUITE 210
IRVINE, CA 92612

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	375	TPA FEES PAID	5

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

STRATEGIC PENSION SERVICES

18301 VON KARMAN AVENUE, SUITE 210
IRVINE, CA 92612

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	279	DISTRIBUTION FEES, MARKETING ALLOWANCE LOAN FEES	5

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

T. ROWE PRICE ASSOCIATES, INC.

100 EAST PRATT STREET
BALTIMORE, MD 21202

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	57	REDEMPTION FEES	6

(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	
5 Current value of plan's interest under this contract in separate accounts at year end	5	3336110

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 ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	

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 A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2011 <hr/> 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 AEROFIT, INC. 401(K) PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 AEROFIT, INC.	D Employer Identification Number (EIN) 83-0385993	

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.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier

TRANSAMERICA 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
39-0989781	86231	802107-000		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
17666	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

INTERSECURITIES INSURANCE AGENCY
PERRY NOCIFORA
P.O. BOX 9053
CLEARWATER, FL 33758

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
17666			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	
5 Current value of plan's interest under this contract in separate accounts at year end	5	2814420

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 ▶ STABLE VALUE

b Balance at the end of the previous year	7b	0
--	-----------	---

c Additions: (1) Contributions deposited during the year	7c(1)	454753	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	3947	
(4) Transferred from separate account	7c(4)	221413	
(5) Other (specify below)	7c(5)	2600	

▶ LOAN REPAYMENT MISC DEPOSIT

(6) Total additions	7c(6)	682713
---------------------------	--------------	--------

d Total of balance and additions (add b and c(6))	7d	682713
---	-----------	--------

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	7242	
(2) Administration charge made by carrier	7e(2)	116	
(3) Transferred to separate account	7e(3)	215372	
(4) Other (specify below)	7e(4)	30132	

▶ LOAN REQUEST MISC

(5) Total deductions	7e(5)	252862
----------------------------	--------------	--------

f Balance at the end of the current year (subtract e(5) from d)	7f	429851
---	-----------	--------

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 AEROFIT, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 AEROFIT, INC.	D Employer Identification Number (EIN) 83-0385993

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
JOHN HANCOCK USA

01-0233346

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

39-0989781

(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)

JOHN HANCOCK LIFE INSURANCE COMPANY

01-0233346

(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 28 59 60 62 63	RECORDKEEPER	88	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

TRANSAMERICA LIFE INSURANCE COMPANY

39-0989781

(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 37 52 62 64 67	RECORDKEEPER	3835	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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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.
---	--	--

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

A Name of plan <u>AEROFIT, INC. 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>AEROFIT, INC.</u>	D Employer Identification Number (EIN) <u>83-0385993</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)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WMC CORE EQUITY RET OPT</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-168</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>76556</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA INTERNATIONAL INDEX RET OPT</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-035</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>86089</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA S&P MID CAP INDEX RET OPT</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-036</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>59635</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA U.S. BOND INDEX RET OPT</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-037</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>48958</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA RUSSELL SMALL CAP VALUE INDEX</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-046</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>58829</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>AMERICAN FUNDS EUROPACIFIC GROWTH R</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-068</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>147962</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NUVEEN REAL ESTATE SECURITIES RET O</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>39-0989781-075</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>3561</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD SMALL-CAP GROWTH INDEX RET		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-106	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 53919
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TOTAL STOCK MARKET INDEX R		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-114	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 88316
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS BALANCED RET OPT		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-232	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 71632
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS GROWTH FUND OF AMERI		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-250	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86473
a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO ADVANTAGE SMALL CAP VAL		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-256	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20529
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS NEW PERSPECTIVE RET		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-259	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 73548
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK GLOBAL ALLOCATION RET OPT		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-281	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4269
a Name of MTIA, CCT, PSA, or 103-12 IE: FIRST EAGLE OVERSEAS RET OPT		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-291	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 62
a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO TOTAL RETURN RET OPT		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-312	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 113213
a Name of MTIA, CCT, PSA, or 103-12 IE: TEMPLETON GLOBAL BOND RET OPT		
b Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY		
c EIN-PN 39-0989781-313	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13965

a Name of MTIA, CCT, PSA, or 103-12 IE: M&N PRO-MIX CONSERVATIVE TERM RET O**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-385	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 172526
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: M&N PRO-MIX EXTENDED TERM RET OPT**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-386	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 318007
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: M&N PRO-MIX MAXIMUM TERM RET OPT**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-387	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 610777
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: M&N PRO-MIX MODERATE TERM RET OPT**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-388	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 500090
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: OPPENHEIMER DEVELOPING MARKETS RET**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-471	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 153079
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: RIDGEWORTH LARGE CAP VALUE EQUITY R**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

c EIN-PN 39-0989781-477	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 52827
--------------------------------	------------------------	---

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>AEROFIT, INC. 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>AEROFIT, INC.</u>	D Employer Identification Number (EIN) <u>83-0385993</u>	

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)		
(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)	2159	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)		
(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)	331116	311431
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	0	2814820
(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)	3002834	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	429850
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	3336109	3556101

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	1015	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1015	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3335094	3556101
---	-----------	---------	---------

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)	77999	
(B) Participants	2a(1)(B)	372374	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		450373
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	10800	
(F) Other	2b(1)(F)	3947	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14747
(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)		
(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)		
(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)		-91407
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		373713

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	148641	
(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)		148641
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	4065	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		4065
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		152706

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		221007
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) ☒ 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: KATHERMAN KITTS & CO. LLP (2) EIN: 27-3197044

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		1000000
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.		X	

- 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 <u>AEROFIT, INC. 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>AEROFIT, INC.</u>	D Employer Identification Number (EIN) <u>83-0385993</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	<u>0</u>
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>42-6362604</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	

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		
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): _____

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULE

YEARS ENDED DECEMBER 31, 2011 AND 2010

AND

INDEPENDENT AUDITOR'S REPORT

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

INDEX

Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-11
<u>Supplemental Schedule</u>	
Schedule of Assets Held for Investment Purposes	12-13

INDEPENDENT AUDITOR'S REPORT

The Plan Committee
AEROFIT, INC.
401(K) PROFIT SHARING PLAN

We were engaged to audit the accompanying statements of net assets available for benefits of Aerofit, Inc. 401(k) Profit Sharing Plan as of December 31, 2011 and 2010, the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule of assets held for investment purposes as of December 31, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6 which was certified by Transamerica Retirement Services, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The Plan administrator has informed me that Transamerica Retirement Services held the Plan's investment assets and executed investment transactions. The Plan administrator has obtained a certification from Transamerica Retirement Services that 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 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 schedules, other than that derived from the information certified by the trustee has been examined by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

Katherman Kitts & Co. LLP

September 1, 2012

AEROFIT, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2011	2010
<u>ASSETS</u>		
Investments, at fair value (Notes 3 and 4):		
Transamerica Retirement Services:		
Pooled separate accounts	\$ 2,814,820	\$ -
Insurance company general account (unallocated contracts)	429,850	-
John Hancock USA:		
Mutual funds		3,002,834
Cash and cash equivalents		2,159
	3,244,670	3,004,993
Notes receivable from participants	311,431	331,116
Total assets	3,556,101	3,336,109
<u>LIABILITIES</u>		
Other liabilities	-	1,015
NET ASSETS AVAILABLE FOR BENEFIT AT FAIR VALUE	\$ 3,556,101	\$ 3,335,094

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

AEROFIT, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

	Years Ended December 31,	
	2011	2010
Additions to net assets attributed to:		
Investment Income:		
Net increase (decrease) in fair value	\$ (91,407)	\$ 341,275
Interest income	14,747	11,042
	(76,660)	352,317
Contributions		
Participants	372,374	320,040
Employer	77,999	53,556
Rollovers	-	2,402
	450,373	375,998
Total additions	373,713	728,315
Deductions from net assets attributed to:		
Benefits paid to participants	148,641	389,233
Administrative expenses	4,065	15,379
Total deductions	152,706	404,612
Net increase	221,007	323,703
Net assets available for benefits, beginning of year	3,335,094	3,011,391
Net assets available for benefits, end of year	<u>\$ 3,556,101</u>	<u>\$ 3,335,094</u>

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

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 1 - DESCRIPTION OF PLAN

General

The Plan is a defined contribution plan covering all employees of AeroFit, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). A plan administrator, who serves at the discretion of the Company's Board of Directors, administers the Plan. The plan administrator is responsible for all matters including, but not limited to, eligibility, rights to benefits, interpreting Plan documents and maintaining participants' accounts. The plan switched administrators on February 15, 2011 from John Hancock USA to Transamerica Retirement Services. The custodian of the Plan assets is Transamerica Retirement Services. In addition, Transamerica Retirement Services is the recordkeeper for the individual participant accounts. Each participant allocates his or her Plan contributions among the funds available in the Plan. Administrative expenses, with the exception of asset management fees charged to participants in the various funds, may be offset by forfeitures, with the remainder paid for by the Company.

Eligibility

All employees who are a minimum of 18 years of age are eligible to make salary deferral contribution and are eligible to receive employer matching contributions. Employees become eligible to enroll on the first day of each month following satisfaction of the eligibility requirement.

Participant Accounts

Separate accounts are established and maintained for each participant, whereby the participants self-direct their investments.

Transamerica Retirement Services provides the Plan participants with individual investment options. During the Plan year, participants were able to choose between 24 investment options. Participants elect how to allocate their contributions among the funds and can change their allocations at any time. The fund values are stated at quoted market prices as determined by Transamerica Retirement Services. Transamerica Retirement Services and the plan administrator make available to the Plan's participants a prospectus for each fund that explains in detail the investment objectives and policies. Investments in these funds are not guaranteed as to income or principal.

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Participant Accounts (Continued)

Each participant's account is credited with the participant's salary deferral contribution and allocations of the Company's matching and profit sharing contributions, if any, and Plan earnings and gains and losses. The allocation of the Company's profit sharing contribution is based on the proportion of the participant's total compensation to the total compensation paid to all participants. Earnings on investments include interest income and realized and unrealized gains and losses and are allocated to the participant's account based on the participant's directed investment program earnings or losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Contributions

Participants may contribute up to 100% of their pretax annual compensation, as defined by the Plan, subject to the limitations set by the Internal Revenue Service. Section 401(k) of the Internal Revenue Code (the "Code") and the Plan limit the amount certain highly compensated individuals may contribute, based on amounts contributed by lower compensated individuals. All participants were limited to a maximum contribution of \$17,000 in 2011 and \$16,500 in 2010 by Section 402(g) of the Code. An additional catch up contribution of \$5,500 in 2011 and 2010 was allowed for participants who were age 50 by year end, per the Code. If any participant's compensation deferrals for a year exceed the maximum amount allowable for that year, the excess amount will be returned to the Company and then paid to the participant as taxable compensation.

Employer Contributions

The Company may make a matching contribution to each participant based on his or her elective deferrals. The percentage, if any, is set by the Company at the beginning of the plan year and is contributed each pay period to participants. For the 2011 and 2010 Plan years, the Company elected to, and did contribute to participating employees 25% of the participant's salary deferral up to 25% of 8% of the participant's gross income.

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Profit Sharing Contributions

The Company, at its discretion, may also make discretionary profit sharing contributions to the Plan to be allocated to participants who are employed on the last day of the Plan year. The Board of Directors determines the amount of this contribution at the end of the Plan year. No discretionary profit sharing contributions were made for the Plan years ended December 31, 2011 and 2010.

Vesting

Participants are immediately vested in their rollover contributions and elective contributions plus actual earnings thereon. Employer contributions are vested ratably over a six-year period commencing on the participant's date of hire in the following schedule:

<u>Years</u>	<u>Percent Vested</u>
0-1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Participants are considered fully vested upon attainment of retirement age, retirement due to disability, death, and upon termination of the Plan.

Benefit Payments

On termination of service due to death, disability, or retirement, a participant receives a lump-sum amount equal to the value of the participant's vested interest in his or her account. Participants will receive their entire account balance in a lump-sum distribution if the account balance is \$5,000 or less. Otherwise, the funds remain in the Plan until the separated participants submit a written request for payment. All amounts allocated to withdrawing participants for

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Benefit Payments(Continued)

benefit claims that have been processed and approved for payment prior to December 31, 2011 were paid to the participants on or before year-end.

Forfeitures

The non-vested portions of terminated participants' account balances are treated as forfeitures. Forfeitures may be used to offset administrative expenses or to reduce the Employer's matching contributions. The forfeited nonvested accounts totaled \$3,610 and \$5,052 at December 31, 2011 and 2010, respectively.

Loans to Participants

Participants may obtain loans from the Plan for the lesser of \$50,000 or 50% of their vested interest in the Plan (with a minimum of \$1,000). A participant may not have more than one loan outstanding at one time. The loans are secured by the balance in the participant's account and bear interest at a rate determined by the Plan administrator. Interest charged on such loans ranged from 4.5% to 8.5% per annum. Such loans shall be repaid over their term in equal monthly installments of principal and interest through payroll deductions. Loans are collateralized by the remaining vested balance in the participant's account on the date the loan originated. Loans become due and payable in full in the event of the participant's termination of employment.

Plan Termination

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The Plan financial statements have been prepared on the accrual basis of accounting.

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation

Investments are carried at fair value. The fair value is based on the closing sales price on the last business day of the Plan year as certified by Transamerica Retirement Services. Any net unrealized appreciation or depreciation for the year is reflected in the statements of changes in net assets available for benefits.

Costs and Expenses

Certain costs and expenses of the Plan are paid directly by participants of the Plan and are included in the statements of changes in net assets available for benefits. Other costs and expenses of the Plan are paid directly by the Employer and are not included in the statements of changes in net assets available for benefits.

Use of Estimates

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

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Date of Management's Review

Subsequent events were evaluated through September 1, 2012, which is the date the financial statements were available to be issued.

NOTE 3—FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 3—FAIR VALUE MEASUREMENTS (continued)

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.

		Fair Value Measurements Using:	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Observable Inputs Other Than Quoted Prices (Level 2)</u>
<u>December 31, 2011</u>			
Pooled Separate			
Accounts	\$ 2,814,820	\$ -	\$ 2,814,820
Insurance Company			
General Account			
(unallocated contracts)	<u>429,850</u>	<u>-</u>	<u>429,850</u>
Total	\$ 3,244,670	\$ -	\$ 3,244,670
<u>December 31, 2010</u>			
Mutual Funds	\$ 3,002,834	\$ 3,002,834	\$ -
Total	\$ 3,002,834	\$ 3,002,834	\$ -

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 3—FAIR VALUE MEASUREMENTS (continued)

of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Level 2 Fair Value Measurements

The fair value of funds held in insurance company general account (unallocated contracts) and in pooled separate accounts is based on observable inputs other than quoted prices for the asset, either directly or indirectly observable, that reflect assumptions market participants would use to price the asset based on market data obtained from sources independent of the plan.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2011 are reported in net appreciation in fair value of investments.

NOTE 4 - INVESTMENTS

The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Purchases and sales are recorded on a trade-date basis. Participant loans are stated at cost, which approximates fair value. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Participants have investment discretion over all contributions made on their behalf.

The fair value of investments representing five percent or more of the Plan's net assets at December 31, 2011, and their comparable balances as of the end of the prior year are as follows:

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

NOTE 4 - INVESTMENTS (continued)

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Transamerica M&N Pro-Mix Maximum Term	\$ 610,777	\$ -
Transamerica M&N Pro-Mix Moderate Term	500,090	-
Transamerica Stable Value Fund	429,850	-
Transamerica M&N Pro-Mix Extended Term	318,007	-
Transamerica M&N Pro-Mix Conservative Term	172,526	-
Transamerica Oppenheimer Developing Markets	153,079	-
Transamerica American Funds EuroPacific Growth	147,962	-

NOTE 5 - TAX STATUS

The Company has received a favorable determination letter from the Internal Revenue Service with respect to the qualified tax status of the Plan, under Section 401(a) and 401(k) of the Internal Revenue Code, and their compliance with the requirements of ERISA.

NOTE 6 - CERTIFIED INFORMATION

The investment balance and related investment information included in the financial statements, accompanying notes and supplemental schedule are derived from statements which have been certified by Transamerica Life Insurance Co. at December 31, 2011 and by John Hancock USA at December 31, 2010, as complete and accurate in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

NOTE 7 - RISKS AND UNCERTAINTIES

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

AEROFIT, INC.
401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 and 2010

SUPPLEMENTAL SCHEDULE

AEROFIT, INC.
401(K) PROFIT SHARING PLAN

PLAN E.I.N. #83-0385993; PLAN #001

SCHEDULE H, LINE 4i

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Transamerica Life Ins Co.	WMC Core Equity Ret Opt	**	\$ 76,556
*	Transamerica Life Ins Co.	SSgA International Index Ret Opt	**	86,089
*	Transamerica Life Ins Co.	SSgA S&P Mid Cap Index Ret Opt	**	59,635
*	Transamerica Life Ins Co.	SSgA U.S. Bond Index Ret Opt	**	48,958
*	Transamerica Life Ins Co.	SSgA Russell Small Cap Value Index	**	58,829
*	Transamerica Life Ins Co.	American Funds EuroPacific Growth	**	147,962
*	Transamerica Life Ins Co.	Nuveen Real Estate Securities Ret Opt	**	3,561
*	Transamerica Life Ins Co.	Vanguard Small-Cap Growth Index Ret	**	53,919
*	Transamerica Life Ins Co.	Vanguard Total Stock Market Index	**	88,316
*	Transamerica Life Ins Co.	American Funds Balanced Ret Opt	**	71,632
*	Transamerica Life Ins Co.	American Funds Growth Fund of Amer	**	86,473
*	Transamerica Life Ins Co.	Wells Fargo Advantage Small Cap Val	**	20,529
*	Transamerica Life Ins Co.	American Funds New Perspective Ret	**	73,548
*	Transamerica Life Ins Co.	BlackRock Global Allocation Ret Opt	**	4,269
*	Transamerica Life Ins Co.	First Eagle Overseas Ret Opt	**	62
*	Transamerica Life Ins Co.	PIMCO Total Return Ret Opt	**	113,213
*	Transamerica Life Ins Co.	Templeton Global Bond Ret Opt	**	13,965
*	Transamerica Life Ins Co.	M&N Pro-Mix Conservative Term	**	172,526
*	Transamerica Life Ins Co.	M&N Pro-Mix Extended Term	**	318,007
*	Transamerica Life Ins Co.	M&N Pro-Mix Maximum Term	**	610,777
*	Transamerica Life Ins Co.	M&N Pro-Mix Moderate Term	**	500,090
*	Transamerica Life Ins Co.	Oppenheimer Developing Markets	**	153,079

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

AEROFIT, INC.
401(K) PROFIT SHARING PLAN

PLAN E.I.N. #83-0385993; PLAN #001
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
(continued)
DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Transamerica Life Ins Co.	RidgeWorth Large Cap Value Equity	**	\$ 52,825
*	Transamerica Life Ins Co.	Stable Value Fund	**	429,850
				<hr/>
				<u>\$3,244,670</u>
Participant loans:				
Interest rates range from 4.5% to 8.5% per annum				<u>\$ 311,431</u>

* A party-in-interest for which a statutory exemption exists

** Cost information on investments held by Transamerica Life Insurance Co. have been omitted as all investments are in an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account, including negative elections, as may be authorized under the terms of the Plan.

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

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

Plan Name: Aerofit, Inc. 401(k) Plan
Contract #: 802107
EIN: 83-0385993
Plan ID: 001
Plan #: 1622
Period: 01/01/2011 - 12/31/2011

(a)	(b) Identity of issue, borrower, lessor, or similar a party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	TRANSAMERICA LIFE INSURANCE CO.	WMC Core Equity Ret Opt	\$76,556	\$76,556
*	TRANSAMERICA LIFE INSURANCE CO.	SSgA International Index Ret Opt	\$86,089	\$86,089
*	TRANSAMERICA LIFE INSURANCE CO.	SSgA S&P Mid Cap Index Ret Opt	\$59,635	\$59,635
*	TRANSAMERICA LIFE INSURANCE CO.	SSgA U.S. Bond Index Ret Opt	\$48,958	\$48,958
*	TRANSAMERICA LIFE INSURANCE CO.	SSgA Russell Small Cap Value Index Ret Opt	\$58,829	\$58,829
*	TRANSAMERICA LIFE INSURANCE CO.	American Funds EuroPacific Growth Ret Opt	\$147,962	\$147,962
*	TRANSAMERICA LIFE INSURANCE CO.	Nuveen Real Estate Securities Ret Opt	\$3,561	\$3,561
*	TRANSAMERICA LIFE INSURANCE CO.	Vanguard Small-Cap Growth Index Ret Opt	\$53,919	\$53,919
*	TRANSAMERICA LIFE INSURANCE CO.	Vanguard Total Stock Market Index Ret Opt	\$88,316	\$88,316
*	TRANSAMERICA LIFE INSURANCE CO.	American Funds Balanced Ret Opt	\$71,632	\$71,632
*	TRANSAMERICA LIFE INSURANCE CO.	American Funds Growth Fund of America Ret Opt	\$86,473	\$86,473
*	TRANSAMERICA LIFE INSURANCE CO.	Wells Fargo Advantage Small Cap Value Ret Opt	\$20,529	\$20,529
*	TRANSAMERICA LIFE INSURANCE CO.	American Funds New Perspective Ret Opt	\$73,548	\$73,548
*	TRANSAMERICA LIFE INSURANCE CO.	BlackRock Global Allocation Ret Opt	\$4,269	\$4,269
*	TRANSAMERICA LIFE INSURANCE CO.	First Eagle Overseas Ret Opt	\$62	\$62
*	TRANSAMERICA LIFE INSURANCE CO.	PIMCO Total Return Ret Opt	\$113,213	\$113,213
*	TRANSAMERICA LIFE INSURANCE CO.	Templeton Global Bond Ret Opt	\$13,965	\$13,965
*	TRANSAMERICA LIFE INSURANCE CO.	M&N Pro-Mix Conservative Term Ret Opt	\$172,526	\$172,526
*	TRANSAMERICA LIFE INSURANCE CO.	M&N Pro-Mix Extended Term Ret Opt	\$318,007	\$318,007
*	TRANSAMERICA LIFE INSURANCE CO.	M&N Pro-Mix Maximum Term Ret Opt	\$610,777	\$610,777

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

Plan Name: Aerofit, Inc. 401(k) Plan

Contract #: 802107

EIN: 83-0385993

Plan ID: 001

Plan #: 1622

Period: 01/01/2011 - 12/31/2011

*	TRANSAMERICA LIFE INSURANCE CO.	M&N Pro-Mix Moderate Term Ret Opt	\$500,090	\$500,090
*	TRANSAMERICA LIFE INSURANCE CO.	Oppenheimer Developing Markets Ret Opt	\$153,079	\$153,079
*	TRANSAMERICA LIFE INSURANCE CO.	RidgeWorth Large Cap Value Equity Ret Opt	\$52,827	\$52,827
*	TRANSAMERICA LIFE INSURANCE CO.	Stable Value Fund	\$429,850	\$429,850
*	TRANSAMERICA LIFE INSURANCE CO.	Participant Loans	\$311,431	\$311,431