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;
- [X] 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
DRC DEFINED BENEFIT PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1980

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

DYNAMICS RESEARCH CORPORATION

2 TECH DRIVE
ANDOVER, MA 01810

2b Employer Identification Number (EIN) 04-2211809

2c Sponsor's telephone number 978-289-1675

2d Business code (see instructions) 541990

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.	09/27/2012	GERALD A. CARWILE, DIRCTOR BENEFITS
	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

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
DYNAMICS RESEARCH CORPORATION

2 TECH DRIVE
ANDOVER, MA 01810

3b Administrator's EIN
04-2211809

3c Administrator's telephone number
978-289-1675

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**	1718
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**	173
b	Retired or separated participants receiving benefits	**6b**	582
c	Other retired or separated participants entitled to future benefits	**6c**	834
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1589
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	102
f	Total. Add lines **6d** and **6e**	**6f**	1691
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
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:
1G 1I

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)	X	**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 SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

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

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

A Name of plan
DRC DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
DYNAMICS RESEARCH CORPORATION

D Employer Identification Number (EIN)
04-2211809

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		63568347
b	Actuarial value	**2b**		59572668
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	640	38470042
b	For terminated vested participants	**3b**	860	27727125
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		48051
	(2) Vested benefits	**3c(2)**		6614014
	(3) Total active	**3c(3)**	218	6662065
d	Total	**3d**	1718	72859232
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.26 %
6	Target normal cost	**6**		66031

Statement by Enrolled Actuary

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

SIGN HERE

09/26/2012
Signature of actuary — Date

MICHAEL A. HLUSKA — 11-05366
Type or print name of actuary — Most recent enrollment number

TOWERS WATSON DELAWARE INC. — 617-638-3817
Firm name — Telephone number (including area code)

800 BOYLSTON STREET
PRUDENTIAL TOWER
BOSTON, MA 02199-8103
Address of the firm

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	2692144
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1373743
9	Amount remaining (line 7 minus line 8)	0	1318401
10	Interest on line 9 using prior year's actual return of 11.42%		150561
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		3601466
b	Interest on (a) using prior year's effective rate of 6.64 % except as otherwise provided (see instructions)		304802
c	Total available at beginning of current plan year to add to prefunding balance		3906268
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	195699
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1273263

Part III Funding percentages

14	Funding target attainment percentage	14	80.01 %
15	Adjusted funding target attainment percentage	15	80.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	82.29 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/13/2012	425000				
09/14/2012	3085000				
			Totals ► 18(b)	3510000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3181129

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	66031
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	14559827	2626666
b Waiver amortization installment		0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	2692697

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1273263	1273263

36 Additional cash requirement (line 34 minus line 35)	**36**	1419434
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	3181129

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	1761695
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	1273263
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

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
DRC DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DYNAMICS RESEARCH CORPORATION

D Employer Identification Number (EIN)
04-2211809

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

MORGAN STANLEY SMITH BARNEY

13-2919773

(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?
28	INVESTMENT MANAGEMENT	276210	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

FIRST STATE TRUST COMPANY

13-3124172

(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	TRUSTEE	62128	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 [ ]

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

(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: NICOLE J. DEVOE, A.S.A, E.A.

b EIN: 53-0181291

c Position: ENROLLED ACTUARY

d Address: TOWERS WATSON DELAWARE INC
800 BOYLSTON STREET
BOSTON, MA 02199

e Telephone: 617-638-3690

Explanation: ENROLLED ACTUARY ON MEDICAL LEAVE

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
DRC DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DYNAMICS RESEARCH CORPORATION

D Employer Identification Number (EIN)
04-2211809

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	55427	28349
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3850000	3510000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	358680	250777
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	4227025	2825749
(2) U.S. Government securities	1c(2)	8324752	4790389
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	9626363	13443860
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	141489	226465
(B) Common	1c(4)(B)	36994119	7719371
(5) Partnership/joint venture interests	1c(5)		5493146
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		23847062
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(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	63577855	62135168
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	63577855	62135168

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)	3510000	
	(B) Participants	2a(1)(B)		
	(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)		3510000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2904	
	(B) U.S. Government securities	2b(1)(B)	162987	
	(C) Corporate debt instruments	2b(1)(C)	605821	
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		771712
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	18409	
	(B) Common stock	2b(2)(B)	274425	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	606901	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		899735
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	39920730	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	40517331	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-596601

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	-907744	
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-907744
(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)		-920211
c Other income	2c		73095
d Total income. Add all **income** amounts in column (b) and enter total	2d		2829986
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3923749	
(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)		3923749
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)	62128	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	276210	
(4) Other	2i(4)	10586	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		348924
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		4272673
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1442687
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: MOODY, FAMIGLIETTI & ANDRONICO, LLP (2) EIN: 04-3077056

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? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **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
DRC DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DYNAMICS RESEARCH CORPORATION

D Employer Identification Number (EIN)
04-2211809

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 0

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): _____ _____

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 6

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: 55% Investment-Grade Debt: 23% High-Yield Debt: 5% Real Estate: 3% Other: 14%

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):

MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

To the Pension Committee of the
Dynamics Research Corporation
Defined Benefit Pension Plan
Andover, Massachusetts

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2011, and the supplemental schedule of assets held for investment purposes as of December 31, 2011 and the supplemental schedule of reportable transactions for the year ended December 31, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Committee instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by First State Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Pension Committee that the trustee holds the Plan's investment assets and executes investment transactions. The Pension Committee has obtained a certification from the trustee and for the years ended December 31, 2011 and 2010, that the information provided to the Pension Committee 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 these accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the 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 ERISA.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
September 12, 2012

Assets held by the Plan for investment purposes as of December 31, 2011, are summarized as follows:

(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) No. of Shares or Units	(e) Cost	(f) Current Value
		Equity Mutual Funds:			
	Wisdomtree Diefa Fund	Mutual Funds	181,343	$ 11,629,140	$ 7,420,556
	Vanguard Growth ETF	Mutual Funds	117,143	7,186,976	7,234,751
	Vanguard Value ETF	Mutual Funds	113,512	6,988,531	5,958,245
	Vanguard Mid-Cap ETF	Mutual Funds	42,374	2,791,968	3,048,386
	Ishares Tr Russel 2000 Value Index Fund	Mutual Funds	1,945	128,035	127,670
	Global X Global Consumer	Mutual Funds	1,916	31,916	28,892
	Global X China Financials Fund	Mutual Funds	2,750	29,057	28,560
		Subtotal: Equity Mutual Funds		$ 28,785,623	$ 23,847,060
		Corporate and Foreign Bonds:			
	National Rural Util	Expiry Date 03/01/14, Interest Rate 4.7500% Per Annum	500,000	$ 505,041	$ 539,461
	IBM Corp	Expiry Date 11/29/12, Interest Rate 4.7500% Per Annum	500,000	508,233	517,030
	JP Morgan Chase & Co.	Expiry Date 01/20/15, Interest Rate 3.7000% Per Annum	475,000	499,941	492,482
	Abbott Labs	Expiry Date 11/30/17, Interest Rate 5.6000% Per Annum	390,000	417,742	465,720
	Goldman Sachs GP	Expiry Date 01/15/15, Interest Rate 5.1250% Per Annum	450,000	458,670	459,950
	Gen Elec Cap Crp	Expiry Date 05/01/13, Interest Rate 4.8000% Per Annum	425,000	429,295	444,925
	Conocophillips	Expiry Date 01/15/15, Interest Rate 4.6000% Per Annum	283,000	311,129	312,996
	Western Union Co	Expiry Date 10/01/16, Interest Rate 5.9300% Per Annum	250,000	287,060	281,690
	Devon Energy	Expiry Date 01/15/19, Interest Rate 6.3000% Per Annum	225,000	265,919	275,212
	Eli Lilly & Co	Expiry Date 03/06/14, Interest Rate 4.2000% Per Annum	250,000	253,618	267,867
	Kraft Foods Inc	Expiry Date 08/11/17, Interest Rate 6.5000% Per Annum	225,000	261,010	267,652
	Oracle Corp.	Expiry Date 04/15/13, Interest Rate 4.9500% Per Annum	250,000	251,080	264,012
	Pepsico Inc	Expiry Date 02/15/13, Interest Rate 4.6500% Per Annum	250,000	270,593	261,563

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Hewlitt-Packard Co	Expiry Date 03/01/12, Interest Rate 5.2500% Per Annum	250,000	247,748	251,640
	Oracle Corp.	Expiry Date 04/15/18, Interest Rate 5.7500% Per Annum	200,000	217,952	242,697
	Comcast Corp.	Expiry Date 01/15/14, Interest Rate 5.3000% Per Annum	225,000	246,832	242,449
	United Parcel	Expiry Date 01/15/18, Interest Rate 5.5000% Per Annum	200,000	211,324	239,668
	Target Corp.	Expiry Date 07/15/16, Interest Rate 5.8750% Per Annum	200,000	231,148	236,855
	Procter & Gamble Co	Expiry Date 02/15/19, Interest Rate 4.7000% Per Annum	200,000	218,132	236,030
	Coca-Cola Co	Expiry Date 03/15/19, Interest Rate 4.8750% Per Annum	200,000	219,908	234,220
	Wells Fargo Co	Expiry Date 12/11/17, Interest Rate 5.6250% Per Annum	200,000	221,804	227,906
	Pfizer Inc	Expiry Date 03/15/15, Interest Rate 5.3500% Per Annum	200,000	225,496	226,237
	Wal-Mart Stores Inc	Expiry Date 07/01/15, Interest Rate 4.5000% Per Annum	200,000	218,286	223,976
	Allstate Corp	Expiry Date 05/16/14, Interest Rate 6.2000% Per Annum	200,000	227,978	223,052
	Walt Disney Co	Expiry Date 12/15/13, Interest Rate 4.5000% Per Annum	200,000	217,314	215,275
	Bank of Ny Mellon	Espiry Date 05/15/14, Interest Rate 4.3000% Per Annum	200,000	216,344	214,590
	US Bancorp	Expiry Date 05/15/14, Interest Rate 4.2000% Per Annum	200,000	214,576	214,125
	DuPont Ei Nemour	Expiry Date 01/15/15, Interest Rate 3.2500% Per Annum	200,000	208,878	213,288
	American Express	Expiry Date 07/15/13, Interest Rate 4.8750% Per Annum	200,000	214,062	209,146
	Texas Instruments	Expiry Date 05/16/15, Interest Rate 2.375% Per Annum	200,000	208,268	208,334
	Costco Companies	Expiry Date 03/15/12, Interest Rate 5.3000% Per Annum	200,000	199,648	201,852
	Walgreen Co	Expiry Date 01/15/19, Interest Rate 5.2500% Per Annum	125,000	138,169	148,605
	CCO Hldgs LLC/Cap	Expiry Date 01/15/19, Interest Rate 7.000% Per Annum	117,000	117,124	121,973
	B&g Foods Inc	Expiry Date 01/15/18, Interest Rate 7.6250% Per Annum	111,000	117,521	117,938
	Sysco Corp	Expiry Date 02/12/18, Interest Rate 5.2500% Per Annum	100,000	101,359	117,191
	Nrg Energy Inc	Expiry Date 06/15/19, Interest Rate 8.5000% Per Annum	114,000	118,778	115,710
	Intl Lease Finance Corp.	Expiry Date 09/15/15, Interest Rate 8.625% Per Annum	100,000	99,500	102,500
	Arch Coal Inc	Expiry Date 10/01/20, Interest Rate 7.250% Per Annum	100,000	103,975	102,250
	Graphic Package	Expiry Date 10/01/18, Interest Rate7.875% Per Annum	95,000	103,608	101,174
	Denbury Resources	Expiry Date 02/15/20, Interest Rate 8.250% Per Annum	90,000	100,525	100,575
	Aes Corp	Expiry Date 10/15/17, Interest Rate 8.0000% Per Annum	90,000	94,099	99,000
	Suburban Propane	Expiry Date 03/15/20, Interest Rate 7.3750% Per Annum	95,000	95,645	98,800
	Be Aerospace Inc	Expiry Date 10/01/20, Interest Rate 6.875% Per Annum	90,000	95,010	98,100

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	US Airways Pass	Expiry Date 01/20/19, Interest Rate 8.360% Per Annum	98,850	100,629	97,861
	Davita Inc.	Expiry Date 11/01/20, Interest Rate 6.625% Per Annum	95,000	93,838	97,613
	Community Health	Expiry Date 07/15/15, Interest Rate 8.8750% Per Annum	93,000	93,765	96,023
	Energy Future Inc	Expiry Date 10/15/19, Interest Rate 9.7500% Per Annum	96,000	95,484	96,000
	Mediacom LLC	Expiry Date 08/15/19, Interest Rate 9.125% Per Annum	90,000	91,688	95,513
	Lamar Media Corp	Expiry Date 04/15/18, Interest Rate 7.875% Per Annum	90,000	95,513	95,400
	Centurylink Inc.	Expiry Date 06/15/21, Interest Rate 6.450% Per Annum	95,000	88,386	95,175
	Moog Inc	Expiry Date 06/15/18, Interest Rate 7.2500% Per Annum	90,000	91,800	94,950
	Peabody Energy Corp.	Expiry Date 09/15/20, Interest Rate 6.500% Per Annum	90,000	92,925	94,500
	Forest Oil	Expiry Date 06/15/19, Interest Rate 7.2500% Per Annum	92,000	93,855	93,840
	Healthsouth Corp.	Expiry Date 09/15/22, Interest Rate 7.750% Per Annum	95,000	100,458	93,456
	United Tech Corp	Expiry Date 02/01/19, Interest Rate 6.1250% Per Annum	73,000	84,292	90,205
	Citizens Communications	Interest Rate 7.125% Per Annum	92,000	88,935	89,700
	Ferrellgas Partners LP	Expiry Date 06/15/20, Interest Rate 8.625% Per Annum	92,000	96,975	89,010
	Iron Mountain Inc	Expiry Date 06/15/20, Interest Rate 8.0000% Per Annum	85,000	90,525	88,506
	Teekay Corp	Expiry Date 01/15/20, Interest Rate 8.500% Per Annum	90,000	94,595	86,625
	AT & T Inc	Expiry Date 02/01/18, Interest Rate 5.5000% Per Annum	73,000	70,770	84,500
	Avis Budget Car Rental	Expiry Date 03/15/18, Interest Rate 9.625% Per Annum	80,000	89,200	82,800
	Verizon Comm Inc	Expiry Date 11/01/18, Interest Rate 8.7500% Per Annum	61,000	66,918	82,394
	Comcast Corp.	Expiry Date 06/15/16, Interest Rate 4.9500% Per Annum	74,000	69,187	81,952
	Lazard Group LLC	Expiry Date 05/15/15, Interest Rate 7.1250% Per Annum	76,000	77,453	81,608
	Goldman Sachs GP	Expiry Date 06/15/20, Interest Rate 6.000% Per Annum	78,000	83,784	79,900
	JP Morgan Chase & Co.	Expiry Date 04/23/19, Interest Rate 6.3000% Per Annum	70,000	78,261	79,285
	Walgreen Co	Expiry Date 08/01/13, Interest Rate 4.8750% Per Annum	73,000	73,918	77,883
	Ford Motor Credit	Expiry Date 01/15/20, Interest Rate 8.125% Per Annum	66,000	66,905	77,686
	Becton Dickinson	Expiry Date 11/12/20, Interest Rate 3.250% Per Annum	75,000	73,485	77,671
	Time Warner Cable Inc	Expiry Date 02/15/21, Interest Rate 4.125% Per Annum	74,000	72,727	75,991
	Cred Suis Fb USA	Expiry Date 08/15/15, Interest Rate 5.1250% Per Annum	71,000	76,622	74,788
	GE Company	Expiry Date 02/01/13, Interest Rate 5.0000% Per Annum	71,000	74,497	73,989
	Kroger Co	Expiry Date 01/15/14, Interest Rate 7.5000% Per Annum	65,000	72,485	72,643

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	American Airlines	Expiry Date 08/01/16, Interest Rate 13.000% Per Annum	67,095	75,932	70,114
	Berkshire Hathaway	Expiry Date 02/11/15, Interest Rate 3.2000% Per Annum	64,000	64,213	67,850
	HCA Inc	Expiry Date 02/15/20, Interest Rate 7.875% Per Annum	60,000	65,850	64,800
	Hewlitt-Packard Co	Expiry Date 03/01/13, Interest Rate 4.5000% Per Annum	62,000	61,951	63,764
	United Rental Na	Expiry Date 06/15/16, Interest Rate 10.875% Per Annum	55,000	58,763	61,050
	Cott Beverages Inc.	Expiry Date 11/15/17, Interest Rate 8.375% Per Annum	50,000	53,125	53,938
	SPX Corp	Expiry Date 09/01/17, Interest Rate 6.875% Per Annum	45,000	48,375	48,600
	Select Medical	Expiry Date 02/01/15, Interest Rate 7.6250% Per Annum	48,000	46,145	45,120
	United Rental Na	Expiry Date 12/15/19, Interest Rate 9.250% Per Annum	37,000	39,313	38,758
	Onebeacon US Holdings	Expiry Date 05/15/13, Interest Rate 5.875% Per Annum	29,000	29,046	29,804
	Elizabeth Arden	Expiry Date 03/15/21, Interest Rate 7.375% Per Annum	24,000	24,060	24,960
	Tenneco Inc	Expiry Date 08/15/18, Interest Rate 7.750% Per Annum	15,000	15,675	15,900
	Avis Budget Car Rental	Expiry Date 01/15/19, Interest Rate 8.250% Per Annum	10,000	10,025	9,925
	Hewlitt-Packard Co	Expiry Date 03/01/14, Interest Rate 6.1250% Per Annum	9,000	10,243	9,704
	Iron Mountain Inc	Expiry Date 08/15/21, Interest Rate 8.375% Per Annum	6,000	6,450	6,390
		Subtotal: Corporate and Foreign Bonds		$ 13,119,383	$ 13,443,860
		Common Equity Securities:			
	Itau Unibanco Holding Spons Adr	Corporate Stocks	9,202	$ 178,429	$ 170,789
	China Constr Bk Corp Unspons Adr	Corporate Stocks	8,948	161,787	124,889
	Vale S. A. Adr	Corporate Stocks	5,354	137,617	114,843
	Shinhan Financial Group ADR	Corporate Stocks	1,532	127,831	104,498
	Prologis	Corporate Stocks	3,597	109,071	102,838
	CNOOC LTD-ADR	Corporate Stocks	575	93,885	100,441
	Mobile Telesystems-SP ADR	Corporate Stocks	6,619	132,799	97,167
	Las Vegas Sands	Corporate Stocks	2,175	70,742	92,938
	Kb Financial Group Inc Spons Adr	Corporate Stocks	2,757	116,363	86,404
	Taiwan Semiconductor Spons Adr	Corporate Stocks	6,132	65,433	79,164
	Baidu Inc Spons Adr	Corporate Stocks	663	81,462	77,220
	Silgan Hldgs Inc	Corporate Stocks	1,979	58,617	76,469
	Ares Capital Corp	Corporate Stocks	4,562	65,347	70,483

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Gazprom Spon Adr	Corporate Stocks	6,444	93,128	68,727
	America Movil S.A.B.De C.V.Adr	Corporate Stocks	2,927	72,619	66,150
	Yanzhou Coal Adr	Corporate Stocks	3,117	69,369	66,112
	Weyerhaeuser Co	Corporate Stocks	3,523	79,494	65,774
	Petroleo Brasileiro Sa Petrobras	Corporate Stocks	2,627	77,824	61,708
	HCC Ins Hldgs Inc	Corporate Stocks	2,217	61,193	60,968
	Teleflex Inc	Corporate Stocks	994	52,386	60,922
	Ctrip Com Adr	Corporate Stocks	2,594	105,578	60,700
	Towers Watson & Company	Corporate Stocks	1,010	48,480	60,529
	Pt Utd Tractors Unspons	Corporate Stocks	1,035	51,068	60,154
	Naspers Ltd Spons Adr	Corporate Stocks	1,359	72,548	59,453
	Petroleo Brasileiro S.A. Adr	Corporate Stocks	2,386	94,955	59,292
	Wesco International Inc	Corporate Stocks	1,109	36,079	58,788
	Hdfc Bk Ltd Spons Adr	Corporate Stocks	2,224	71,202	58,447
	Indust&CommBank China Unsp	Corporate Stocks	4,767	68,456	56,590
	Oil Sts Intl Inc	Corporate Stocks	739	25,168	56,437
	Scotts Co CL A	Corporate Stocks	1,199	47,252	55,981
	Tencent Hldgs Ltd.Unsp	Corporate Stocks	2,720	67,713	54,669
	Sberbank-sponsor ADR	Corporate Stocks	5,453	60,355	53,547
	Jiangxi Copper Co Ltd.	Corporate Stocks	614	74,394	53,063
	Cosan Ltd	Corporate Stocks	4,833	62,296	52,970
	Valmont Inds Inc Com	Corporate Stocks	582	46,616	52,840
	Yamana Gold Inc	Corporate Stocks	3,450	50,158	50,681
	Corrections Corp Amer New	Corporate Stocks	2,456	50,746	50,029
	Oil Co Lukoil Spons Adr	Corporate Stocks	938	56,236	49,713
	Thomas & Betts Corp	Corporate Stocks	882	47,782	48,157
	Actuant Corp Cl A New	Corporate Stocks	2,083	39,808	47,263
	Aarons Inc	Corporate Stocks	1,748	34,063	46,637
	Firstmerit Corporation	Corporate Stocks	3,039	53,472	45,980
	Wiley (John) & Sons Inc Class A	Corporate Stocks	1,034	34,852	45,910

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	Bradesco-ADR	Corporate Stocks	2,741	52,755	45,720
	Gerdau Sa Spons Adr	Corporate Stocks	5,781	74,173	45,150
	Pacific Rubiales Energy Corp	Corporate Stocks	2,380	57,683	44,268
	Anhui Conch Cxement-H	Corporate Stocks	2,975	63,624	44,147
	Capital Federal Financial	Corporate Stocks	3,804	43,328	43,898
	LPL Investment Hlds Inc	Corporate Stocks	1,426	40,717	43,550
	China Shenhua-Unspon Adr	Corporate Stocks	997	43,957	43,261
	Gafisa Sa Spons Adr	Corporate Stocks	9,342	124,777	42,973
	Broadridge Finl Solutions Inc	Corporate Stocks	1,901	40,973	42,868
	Sensient Technologies Corp	Corporate Stocks	1,127	32,424	42,713
	Atmos Energy Corp	Corporate Stocks	1,274	41,008	42,488
	Prosperity Bancshares Inc	Corporate Stocks	1,049	34,117	42,327
	Choice Hotels Intl Inc	Corporate Stocks	1,100	32,504	41,855
	Infosys Technologies Spons ADR	Corporate Stocks	798	45,509	41,001
	Smith A O Corp	Corporate Stocks	1,018	33,614	40,842
	Antofagasta Plc-Spon ADR	Corporate Stocks	1,078	45,759	40,710
	Tower Group Inc	Corporate Stocks	2,003	45,897	40,401
	Silver Standard Resources	Corporate Stocks	2,895	73,057	40,009
	Silicon Laboratories Inc	Corporate Stocks	878	36,612	38,123
	Washington Federal Inc	Corporate Stocks	2,716	39,567	37,997
	CNO Financial Group Inc	Corporate Stocks	5,973	32,659	37,690
	Oasis Petroleum	Corporate Stocks	1,288	26,927	37,468
	Great Plains Energy Inc	Corporate Stocks	1,707	33,610	37,178
	Unit Corp	Corporate Stocks	794	34,182	36,842
	Northwestern Corp	Corporate Stocks	1,028	29,436	36,792
	Turkiye Garanti Bankasi Spons Adr	Corporate Stocks	11,716	55,073	36,601
	Penske Auto Group	Corporate Stocks	1,892	35,929	36,421
	QLOGIC Corp	Corporate Stocks	2,411	39,803	36,165
	Cleco Corp New	Corporate Stocks	941	27,549	35,852
	Verint Sys Inc	Corporate Stocks	1,292	41,604	35,582

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Arcos Dorados Hlds Inc-A	Corporate Stocks	1,720	36,996	35,312
	Kar Auction Services Inc	Corporate Stocks	2,608	40,789	35,208
	El Paso Electric Co	Corporate Stocks	979	21,986	33,913
	Wolverine World Wide Inc	Corporate Stocks	944	24,922	33,644
	Associated Banc Corp	Corporate Stocks	3,011	37,691	33,633
	Bank of Hawaii Corp	Corporate Stocks	741	32,876	32,967
	West Pharmaceutical Service Inc	Corporate Stocks	863	30,193	32,751
	Mastec Inc	Corporate Stocks	1,860	35,016	32,308
	CACI Intl Inc CL A	Corporate Stocks	577	28,447	32,265
	Microsemi Corp	Corporate Stocks	1,892	33,377	31,691
	Anglo American PlcAdr	Corporate Stocks	1,704	32,622	31,500
	Consolidated Graphics Inc	Corporate Stocks	645	27,058	31,141
	McGrath Rentcorp	Corporate Stocks	1,049	27,955	30,411
	Rf Micro Devices Inc	Corporate Stocks	5,579	33,236	30,127
	PVH Corp	Corporate Stocks	421	18,454	29,676
	Werner Enterprises Inc	Corporate Stocks	1,211	28,781	29,184
	Packaging Corp of America	Corporate Stocks	1,029	20,382	25,972
	Sakari Resources Ltd Unsp	Corporate Stocks	900	42,271	25,543
	Adtran In	Corporate Stocks	832	26,052	25,093
	Dsw Inc-Cl A	Corporate Stocks	557	24,934	24,625
	South Jersey Inds Inc	Corporate Stocks	430	20,814	24,428
	Mechel Oao	Corporate Stocks	2,847	66,054	24,200
	First Cash Finl Svcs Inc	Corporate Stocks	657	16,265	23,054
	Scansource Inc	Corporate Stocks	618	19,622	22,248
	Sociedad Quimica Minera Sp	Corporate Stocks	413	19,219	22,240
	MTN Group Ltd-Spons ADR	Corporate Stocks	1,242	23,283	22,111
	Lennox International Inc	Corporate Stocks	655	27,800	22,106
	Eagle Materials Inc	Corporate Stocks	848	22,852	21,760
	WD-40 Co.	Corporate Stocks	507	22,221	20,488
	Super Micro Computer	Corporate Stocks	1,301	21,370	20,400

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Lifepoint Hosps Inc	Corporate Stocks	549	20,452	20,395
	United Rentals Inc	Corporate Stocks	631	16,475	18,646
	Cymer Inc	Corporate Stocks	354	16,048	17,615
	Posco-Adr	Corporate Stocks	211	22,577	17,322
	Banco Santander Chile Spons	Corporate Stocks	223	14,769	16,881
	Alliant Techsystems Inc	Corporate Stocks	292	21,054	16,691
	Myr Group Inc	Corporate Stocks	865	13,716	16,556
	Veeco Instruments IncCo	Corporate Stocks	586	19,683	12,189
	Kraton Performance Polymers	Corporate Stocks	599	11,361	12,160
	Health Care Rlty Tr Inc	Corporate Stocks	638	11,058	11,860
	Olin Corp Par $1	Corporate Stocks	571	10,762	11,220
	Calix Inc	Corporate Stocks	1,710	24,782	11,064
	Owens & Minor Inc(New)	Corporate Stocks	390	11,912	10,838
	Sunstone Hotel	Corporate Stocks	1,315	7,905	10,717
	Starwood Hotels & Resorts	Corporate Stocks	215	12,832	10,314
	DDR Corp	Corporate Stocks	679	7,711	8,263
	Group 1 Automotive Inc	Corporate Stocks	150	6,523	7,770
	Waste Connections Inc Com	Corporate Stocks	223	4,523	7,390
	TPC Group Inc	Corporate Stocks	234	5,486	5,459
	Apollo Inv Corporation	Corporate Stocks	-	-	-
		Subtotal: Common Equity Securities		$ 5,686,667	$ 5,280,575
		Partnerships:			
	Multi-Strategy Series Growth	Partnership	3,362	$ 3,500,000	$ 3,587,148
	CMF Institutional Futures Port LP	Partnership	2,000	2,000,000	1,905,998
		Subtotal: Partnerships		$ 5,500,000	$ 5,493,146

(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) No. of Shares or Units	(e) Cost	(f) Current Value
		U.S Treasury Obligations:			
	US Treasury Notes	Expiry Date 05/15/13, Interest Rate 1.375% Per Annum	755,000	$ 768,343	$ 766,974
	US Treasury Notes	Expiry Date 11/15/20, Interest Rate 2.625% Per Annum	522,000	487,662	561,965
	US Treasury Notes	Expiry Date 05/15/17, Interest Rate 4.5000% Per Annum	375,000	392,314	444,756
	US Treasury Notes	Expiry Date 02/15/20, Interest Rate 3.6250% Per Annum	372,000	420,651	431,433
	US Treasury Notes	Expiry Date 11/15/12, Interest Rate 4.0000% Per Annum	350,000	335,563	361,662
	US Treasury Notes	Expiry Date 05/31/14, Interest Rate 2.2500% Per Annum	334,000	351,170	349,421
	US Treasury Notes	Expiry Date 04/30/12, Interest Rate 1.000% Per Annum	246,000	247,480	246,769
	US Treasury Notes	Expiry Date 05/15/19, Interest Rate 3.1250% Per Annum	192,000	184,270	215,280
	US Treasury Notes	Expiry Date 09/30/13, Interest Rate 3.1250% Per Annum	136,000	144,468	142,784
	US Treasury Notes	Expiry Date 02/15/16, Interest Rate 4.5000% Per Annum	16,000	16,935	18,499
		Subtotal U.S. Treasury Obligations:		$ 3,348,856	$ 3,539,543
		Money Market Accounts:			
		Northhern Inst'l Diversified Assets-SW	2,825,750	$ 2,825,750	$ 2,825,750
		Real Estate Investment Trust:			
	Simon Ppty Group Inc New	Real Estate Investment Trust	1,881	$ 128,651	$ 242,536
	Ventas Inc	Real Estate Investment Trust	2,349	116,605	129,500
	Hcp Inc Reit	Real Estate Investment Trust	2,761	102,778	114,388
	Boston Properties Inc	Real Estate Investment Trust	1,093	88,314	108,863
	Equity Residential PropertiesTrust	Real Estate Investment Trust	1,856	80,691	105,848
	Host Hotels & Resorts, Inc.	Real Estate Investment Trust	6,572	91,277	97,068
	Avalonbay Communities Inc	Real Estate Investment Trust	743	75,840	97,036
	Public Storage Inc	Real Estate Investment Trust	702	78,919	94,391
	Health Care REIT Inc	Real Estate Investment Trust	1,707	76,157	93,083
	Vornado Realty Trust	Real Estate Investment Trust	1,127	84,915	86,621
	Highwoods Properties Inc	Real Estate Investment Trust	2,450	74,953	72,692
	Macerich Co Com	Real Estate Investment Trust	1,375	46,350	69,575
	Alexandria Real Estate Equities Inc	Real Estate Investment Trust	952	59,124	65,659

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Essex Ppty Tr Inc Com	Real Estate Investment Trust	456	40,686	64,074
	Digital Realty	Real Estate Investment Trust	937	39,492	62,470
	General Growth Properties	Real Estate Investment Trust	3,329	50,066	50,002
	Plum Creek Timber Co Inc	Real Estate Investment Trust	1,277	51,918	46,687
	Federal Rlty Invt Tr	Real Estate Investment Trust	504	42,845	45,738
	Udr Inc Reit	Real Estate Investment Trust	1,748	43,612	43,875
	Duke Realty Corp	Real Estate Investment Trust	3,630	44,043	43,742
	Camden Ppty Tr	Real Estate Investment Trust	687	30,951	42,759
	Kimco Realty Corp	Real Estate Investment Trust	2,606	44,037	42,321
	Rayonier Inc	Real Estate Investment Trust	936	36,093	41,774
	Medical Properties Trust Inc	Real Estate Investment Trust	4,037	46,206	39,845
	National Retail Properties Inc	Real Estate Investment Trust	1,384	36,478	36,510
	Regency Centers Corporation	Real Estate Investment Trust	969	34,062	36,454
	American Campus	Real Estate Investment Trust	851	30,346	35,708
	Mid-Amer Apt Cmntys Inc	Real Estate Investment Trust	570	35,476	35,654
	Government Properties Income Reit	Real Estate Investment Trust	1,440	34,796	32,472
	SI Green Realty Corp	Real Estate Investment Trust	471	28,959	31,387
	Kilroy Rlty Corp	Real Estate Investment Trust	761	23,913	28,971
	Diamondrock Hospital	Real Estate Investment Trust	2,783	27,120	26,828
	Acadia Realty Trust	Real Estate Investment Trust	1,303	23,362	26,242
	Sovran Self Storage Inc Reit	Real Estate Investment Trust	591	23,054	25,218
	Bre Properties Cl A	Real Estate Investment Trust	470	21,493	23,726
	Equity Lifestyle Properties Reit	Real Estate Investment Trust	331	22,475	22,074
	Piedmont Office A Reit	Real Estate Investment Trust	1,282	24,155	21,845
	Senior Housing Properties Trust Reit	Real Estate Investment Trust	915	21,060	20,533
	Extra Space Storage Inc	Real Estate Investment Trust	763	13,732	18,487
	Lasalle Hotel Pptys	Real Estate Investment Trust	754	16,665	18,254
	Retail Opportunity Investments	Real Estate Investment Trust	1,293	13,383	15,309
	Tanger Factory Outlet Ctrs Inc	Real Estate Investment Trust	513	13,584	15,041
	Taubman Ctrs Inc	Real Estate Investment Trust	232	12,457	14,407

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Douglas Emmett Inc	Real Estate Investment Trust	752	13,859	13,716
	Hersha Hospitality Trust	Real Estate Investment Trust	2,575	15,686	12,566
	Dct Industrial Trust Inc Reit	Real Estate Investment Trust	2,015	9,868	10,317
	Cbl & Assoc Pptys Inc	Real Estate Investment Trust	629	8,650	9,875
	Pebblebrook Hotel	Real Estate Investment Trust	347	5,966	6,655
		Sub Total: Real Estate		$ 2,085,122	$ 2,438,796
		U.S. Government Securities:			
	FHLMC Pool	Expiry Date 07/15/12, Interest Rate 5.1250% Per Annum	398,000	$ 412,782	$ 408,736
	FNMA Pool	Expiry Date 10/15/14, Interest Rate 4.6250% Per Annum	375,000	363,500	416,678
	FHLMC Pool	Expiry Date 07/15/13, Interest Rate 4.5000% Per Annum	400,000	391,310	425,432
		Subtotal: U.S. Government Securities		$ 1,167,592	$ 1,250,846
		Preferred Equity Securities:			
	Merrill Lynch Cap Tr III PFD	Corporate Stocks	5,925	$ 102,882	$ 118,026
	Pnc Capital Trust III 7.750%Pfd	Corporate Stocks	4,150	108,647	108,440
		Subtotal: Preferred Equtiy Securities:		$ 211,529	$ 226,466
		Total		$ 62,730,522	$ 58,346,042

* (a) Represents a party-in-interest to the Plan.

(a) Identity of Party Involved	(b) Description of Asset (including interest and maturity)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Assets	(h) Current Value Of Assets On Transaction Date	(i) Net Gain (Loss)
	Series of Transactions With Same Broker Exceeds 5% of Value							
Northern	Northern Inst'l Diversified Assets-SW							
	Purchases	21,329,893	-	N/A	-	21,329,893	21,329,893	-
	Sales	-	22,731,168	N/A	-	22,731,168	22,731,168	-

December 31	2011	2010
Assets		
Investments at Fair Value:		
Equity Mutual Funds	$ 23,847,060	$ 21,675,382
Corporate and Foreign Bonds	13,443,860	9,626,363
Common Equity Securities	5,280,575	11,099,566
Partnerships	5,493,146	4,219,171
U.S. Treasury Obligations	3,539,543	7,046,445
Money Market Accounts	2,825,750	4,227,025
Real Estate Investment Trusts	2,438,796	-
U.S. Government Securities	1,250,846	1,278,307
Preferred Equity Securities	226,466	141,489
Total Investments	58,346,042	59,313,748
Receivables:		
Plan Sponsor Contributions Receivable	3,510,000	3,850,000
Interest Income	250,777	358,680
Amounts Due from Broker	28,349	55,427
Total Receivables	3,789,126	4,264,107
Net Assets Available for Plan Benefits	$ 62,135,168	$ 63,577,855

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

For the Year Ended December 31	2011
Additions to Net Assets:	
Plan Sponsor Contributions	$ 3,510,000
Interest and Dividend Income from Investments	1,671,447
Other Income	73,004
Total Additions	5,254,451
Deductions from Net Assets:	
Benefit Payments	3,923,749
Net Depreciation in Fair Value of Investments	2,424,556
Plan Expenses	348,833
Total Deductions	6,697,138
Net Decrease in Net Assets Available for Plan Benefits	(1,442,687)
Net Assets Available for Plan Benefits, Beginning of Year	63,577,855
Net Assets Available for Plan Benefits, End of Year	$ 62,135,168

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

1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Dynamics Research Corporation (the "Plan Sponsor"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Through June 30, 2002, generally, all employees of the Plan Sponsor who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants"). Effective June 30, 2002, the Board of Directors of the Plan Sponsor voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

The Plan Sponsor has appointed an investment trustee and custodian, First State Trust Company (the 'trustee' or 'First State'), to hold the Plan's assets, execute investment transactions, and administer the Participants' accounts.

Contributions: The Plan Sponsor makes contributions to the Plan to meet the minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. Amounts contributed are deposited with the trustee of the Plan.

Vesting: As of June 30, 2007, all Participants were fully vested.

Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement and vested termination. The annual normal retirement benefit is the greatest of:

- .6833 percent of average annual compensation plus .65 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- $60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of the Plan Sponsor approved plan participants age 65 or older, to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

Plan Investments: The Plan's investments are held by First State in various mutual funds, equity securities, bonds, U.S. Treasury obligations, partnership, money market accounts, real estate investment trusts and U.S. Government securities.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Fair Value: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. In order to measure fair value, the Plan uses a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

Level 1 - Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that management has the ability to access.

Level 2 - Inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

2. Significant Accounting Policies (Continued):

Investment Valuation and Income Recognition: Investments in equity mutual funds, equity securities, and certain real estate investment trusts are stated at fair value utilizing quoted market prices in active markets as of December 31, 2011 and 2010, and are classified within Level 1 of the fair value hierarchy. Investments in money market funds, U.S. treasury obligations, U.S. government agencies and corporate and foreign bonds are classified within Level 2 of the fair value hierarchy based on significant other observable inputs. Investments in partnerships and certain real estate investment trusts are are classified within Level 3 of the fair value hierarchy based on significant other observable inputs.

The cumulative change in investment values at the beginning and end of each Plan year is reflected in the statement of changes in net assets available for plan benefits as net appreciation (depreciation) in value of investments and consists of realized gains (losses) and unrealized appreciation (depreciation) on those investments.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain administrative expenses of the Plan are paid by the Plan Sponsor.

Plan Exposure to Market and Credit Risk: The Plan provides for investment in various mutual funds and other investment securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Plan's account balances and the amounts reported in the accompanying financial statements.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Plan may differ from those estimates.

Reclassification: Certain accounts in the December 31, 2010 financial statements have been reclassified for comparative purposes to conform to the presentation in the December 31, 2011 financial statements.

Subsequent Events: The Plan Administrator has evaluated subsequent events spanning the period from December 31, 2011 through September 12, 2012, the latter representing the issuance date of these financial statements.

3. Party-in-Interest Transactions:

Certain Plan investments are managed by First State, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to $348,833 for the year ended December 31, 2011.

4. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated January 18, 2011, that the Plan and related trust are designed in accordance with the applicable provisions of the Internal Revenue Code. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax exempt as of and for the year ended December 31, 2011.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Pension Committee has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011 or 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Pension Committee believes it is no longer subject to income tax examinations for years prior to 2008.

5. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. First State, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

6. Frozen Plan:

On December 11, 2001, the Board of Directors of the Plan Sponsor voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits will be calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

7. Actuarial Valuation and Assumptions:

Towers Watson is the Plan's actuarial consultant. The significant assumptions used in the actuarial valuation as of December 31, 2011 are as follows:

Investment Return	8.15% compounded annually
Mortality Table	RP-2000 Combined Healthy Mortality table with separate rates for males and females projected to 2011
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%
Asset Valuation Method	4-Year Average Method with a restart on January 1, 2012
Actuarial Cost Method	Projected Unit Credit Cost Method

The actuarial present value of accumulated plan benefits at December 31, 2011 and 2010 is as follows:

	2011	2010
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Receiving Benefits	$ 34,972,854	$ 32,460,314
Other Participants	25,274,331	25,761,499
	60,247,185	58,221,813
Actuarial Present Value of Nonvested Accumulated Plan Benefits	42,953	76,356
	$ 60,290,138	$ 58,298,169

The changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2011 and 2010 consist of the following:

	2011	2010
Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	$ 58,298,169	$ 56,165,044
Increase (Decrease) During the Year Attributable to:		
Decrease in the Discount Period	4,675,912	4,617,596
Benefits Paid	(3,923,749)	(3,680,769)
Change in Actuarial Assumptions	940,655	1,092,316
Actuarial Losses	299,151	103,982
Net Increase	1,991,969	2,133,125
Actuarial Present Value of Accumulated Plan Benefits, End of Year	$ 60,290,138	$ 58,298,169

8. Information Certified by the Trustee:

The Plan's investments and investment transactions were certified by First State, the trustee of the Plan, as complete and accurate as of December 31, 2011 and 2010, and for the year ended December 31, 2011. Therefore, in accordance with the request of the Pension Committee and as allowed under 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, this information was not subjected to auditing procedures generally accepted in the United States of America by the Plan's independent public accountants, except for comparing such information to related information included in the financial statements and supplemental schedules. The following is a summary of the unaudited information regarding the Plan, which was prepared by or derived from information prepared by the trustee and furnished to the Pension Committee.

	2011	2010
Statements of Net Assets Available for Plan Benefits:		
Investments at Fair Value	$ 58,346,042	$ 59,313,748
Statement of Changes in Net Assets Available for Plan Benefits:		
Net Depreciation in Fair Value of Investments	$ (2,424,556)	
Interest and Dividend Income from Investments	1,671,447	

Additionally, information related to assets of the Plan as of December 31, 2011 and 2010 within Note 9 of the financial statements and Schedule H, Line 4i Supplemental Schedule of Assets Held for Investment Purposes at End of Year and Schedule H, Line 4j Supplemental Schedule of Reportable Transactions was certified by the trustee.

9. Investments:

Investments that represent 5% or more of the Plan's net assets as of December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Equity Mutual Funds:		
Wisdomtree Diefa Fund	$ 7,420,556	
Vanguard Growth ETF	7,234,752	
Vanguard Value ETF	5,958,245	
Partnerships:		
Multi-Strategy Series Growth	3,587,148	
Equity Mutual Funds:		
Wisdomtree Diefa Fund		$ 8,266,018
Vanguard Growth ETF		7,143,637
Vanguard Value ETF		5,935,522

The net appreciation (depreciation) in the fair value of the Plan's investments by investment category (including gains and losses on investments bought and sold, as well as held during the year) are as follows:

Equity Mutual Funds	$ (1,428,003)
Common Equity Securities	(758,355)
Partnerships	(202,629)
Corporate and Foreign Bonds	(57,476)
U.S. Government Securities and Treasury Obligations	45,577
Preferred Equity Securities	(23,670)
	$ (2,424,556)

10. Fair Value:

The following tables set forth, by level within the fair value hierarchy, the Plan investment assets at fair value, as of December 31, 2011 and 2010. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

		Investment Assets at Fair Value as of December 31, 2011		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Mutual Funds	$ 23,847,062	$ 23,847,062	$ -	$ -
Corporate and Foreign Bonds	13,443,860	-	13,443,860	-
Partnerships	5,493,146	-	-	5,493,146
Common Equity Securities	5,280,574	5,280,574	-	-
U.S. Treasury Obligations	3,539,543	-	3,539,543	-
Money Market Accounts	2,825,750	-	2,825,750	-
Real Estate Investment Trusts	2,438,796	2,398,951	-	39,845
Common Equity Securities	1,250,846	-	1,250,846	-
Preferred Equity Securities	226,465	226,465	-	-
Total Investments	$ 58,346,042	$ 31,753,052	$ 21,059,999	$ 5,532,991

		Investment Assets at Fair Value as of December 31, 2010		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Mutual Funds	$ 21,675,382	$ 21,675,382	$ -	$ -
Common Equity Securities	11,099,566	7,421,453	3,678,113	-
Corporate and Foreign Bonds	9,626,363	-	9,626,363	-
U.S. Treasury Obligations	7,046,445	-	7,046,445	-
Money Market Accounts	4,227,025	-	4,227,025	-
Partnerships	4,219,171	-	-	4,219,171
U.S. Government Securities	1,278,307	-	1,278,307	-
Preferred Equity Securities	141,489	141,489	-	-
Total Investments	$ 59,313,748	$ 29,238,324	$ 25,856,253	$ 4,219,171

10. Fair Value (Continued):

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2011.

	2011	Partnership	Real Estate Investment Trusts
Beginning Balance	$ 4,219,171	$ 4,219,171	$ -
Unrealized Gains (Losses)	(208,990)	(202,629)	(6,361)
Purchases, Sales, Issuances and Settlements (Net)	1,522,810	1,476,604	46,206
Ending Balance	$ 5,532,991	$ 5,493,146	$ 39,845

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Dynamics Research Corporation
EIN/PN	04-2211809/002
Plan Name	Dynamics Research Corporation Defined Benefit Pension Plan
Valuation Date	January 1, 2011
Enrolled Actuary	Michael A. Hluska
Enrollment Number	11-05366

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2011

The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x * l_x / l_{55}$
55	0.05	1,000,000	1.000000	0.050000	2.750000
56	0.05	950,000	0.950000	0.047500	2.660000
57	0.05	902,500	0.902500	0.045125	2.572125
58	0.05	857,375	0.857375	0.042869	2.486388
59	0.05	814,506	0.814506	0.040725	2.402793
60	0.10	773,781	0.773781	0.077378	4.642686
61	0.10	696,403	0.696403	0.069640	4.248057
62	0.15	626,763	0.626763	0.094014	5.828892
63	0.15	532,748	0.532748	0.079912	5.034470
64	0.15	452,836	0.452836	0.067925	4.347225
65	1.00	384,911	0.384911	0.384911	25.019186

Average age at retirement	61.991822
Rounded for Schedule SB line 22	62

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2011

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2011	6,061,536	7	6,061,536	997,301
2	Shortfall	01/01/2010	7,453,204	6	6,754,762	1,254,315
3	Shortfall	01/01/2009	2,113,568	5	1,743,529	375,050
Total					14,559,827	2,626,666

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Plan Sponsor

Dynamics Research Corporation

EIN/PN

04-2211809/002

Discount Rates

Interest rate basis

- Applicable month — September
- Yield curve basis — 3 Segment Rates

Current plan year PPA interest rates

- First segment rate — 3.78%
- Second segment rate — 6.31%
- Third segment rate — 6.57%
- Effective interest rate — 6.26%

Prior plan year PPA interest rate

- Effective interest rate — 6.64%

Assumed Cost of Living Adjustments

None.

SCHEDULE SB ATTACHMENTS

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant. Participation in this plan is frozen.

Plan-related Expenses

The amount included this year for plan-related expenses is $ 66,031.

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Percentage retiring during the year		
Age	**Males**	**Females**
55-59	5.00%	5.00%
60-61	10.00%	10.00%
62-64	15.00%	15.00%
65	100.00%	100.00%

Compensation Increases

Not Applicable – Frozen Plan.

Future Increases in Social Security

Not Applicable – Frozen Plan.

SCHEDULE SB ATTACHMENTS

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates (per 100 employees) not Due to Disability, Retirement or Mortality

Attained Age	Percentage leaving during the year	
	Males	**Females**
20	30.0%	30.0%
25	30.0	30.0
30	20.0	20.0
35	15.0	15.0
40	12.5	12.5
45	10.0	10.0
50	7.5	7.5
55 & Over	0.0	0.0

Form of Payment

Participants are assumed to elect the normal form.

Marriage

80% of participants are assumed to be married.

Employees

It was assumed that there will be no new or rehired employees.

Cash flow and timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

SCHEDULE SB ATTACHMENTS

Valuation date

First day of plan year

Funding target

Present value of accrued benefits

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Asset Method

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2010 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Plan Compensation

Not Applicable – Frozen Plan.

Participant Data

Employee data was supplied by the employer as of the census date.

SCHEDULE SB ATTACHMENTS

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Dynamics Research Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

NOTICE TO TERMINATED ENROLLED ACTUARY

I, as Plan Administrator, verify that the explanation that is reproduced below or attached to this Notice is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2011 Form 5500, Annual Return/Report of Dynamics Research Corporation Defined Benefit Pension Plan. This Form 5500 is identified in line 2b by the nine-digit EIN 04-2211809 and in line 1b by the three-digit PN 002.

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN and PN of the plan and be submitted to:

Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Mary Ozard
Plan Administrator

9/25/2011
Date

Explanation: Enrolled actuary on medical leave.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2011

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	0		2		1		0		0		0		0		0		0		0	
35 - 39	0		4		0		1		0		0		0		0		0		0	
40 - 44	0		12		7		4		5		0		0		0		0		0	
45 - 49	0		16		5		4		8		1		0		0		0		0	
50 - 54	1		22		6		4		9		1		2		0		0		0	
55 - 59	0		18		14		5		7		4		1		0		0		0	
60 - 64	0		22		11		2		6		4		0		1		0		0	
65 - 69	0		3		0		2		1		0		0		0		0		0	
70 & Over	0		2		0		0		0		0		0		0		0		0	

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809 / 002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2011

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial 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) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2011 This Form is Open to Public Inspection

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

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

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

A Name of plan	B Three-digit plan number (PN) ▶	002
DRC DEFINED BENEFIT PENSION PLAN		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
DYNAMICS RESEARCH CORPORATON	04-2211809	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2011

2	Assets:			
	a Market value		**2a**	63,568,347
	b Actuarial value		**2b**	59,572,668
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	640	38,470,042
	b For terminated vested participants	**3b**	860	27,727,125
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		48,051
	(2) Vested benefits	**3c(2)**		6,614,014
	(3) Total active	**3c(3)**	218	6,662,065
	d Total	**3d**	1,718	72,859,232
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.26 %
6	Target normal cost		**6**	66,031

Statement by Enrolled Actuary

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

SIGN HERE	M.A.H.	09/25/2012
	Signature of actuary	Date
Michael A. Hluska		11-05366
Type or print name of actuary		Most recent enrollment number
Towers Watson Delaware Inc.		(617) 638-3817
Firm name		Telephone number (including area code)
800 Boylston Street Prudential Tower Boston MA 02199-8103		
Address of the firm		

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	2,692,144
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1,373,743
9	Amount remaining (line 7 minus line 8)	0	1,318,401
10	Interest on line 9 using prior year's actual return of 11.42%		150,561
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		3,601,466
b	Interest on (a) using prior year's effective rate of 6.64% except as otherwise provided (see instructions)		304,802
c	Total available at beginning of current plan year to add to prefunding balance		3,906,268
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	195,699
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1,273,263

Part III Funding percentages

14	Funding target attainment percentage	14	80.01 %
15	Adjusted funding target attainment percentage	15	80.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	82.29 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/13/2012	425,000				
09/14/2012	3,085,000				
			Totals • 18(b)	3,510,000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3,181,129

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:	1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
	3.78 %	6.31 %	6.57 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a		66,031
b Excess assets, if applicable, but not greater than 31a	31b		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		14,559,827	2,626,666
b Waiver amortization installment			0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34		2,692,697

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1,273,263	1,273,263

36 Additional cash requirement (line 34 minus line 35)	36	1,419,434
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3,181,129
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	1,761,695
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1,273,263
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

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

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011

42 Amount of acceleration adjustment	42	0
43 Excess installment acceleration amount to be carried over to future plan years	43	0

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor

Dynamics Research Corporation

Plan

Dynamics Research Corporation Defined Benefit Pension Plan

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1980. On October 25, 2006, Dynamics Research Corporation's Board of Directors approved an amendment to the plan that removed the 3% annual benefit inflator and fully freezes benefit accruals as of December 31, 2006. The Plan was most recently amended on December 1, 2010.

Plan Year

The twelve-month period ending 12/31.

Coverage and Participation

Employees classified as staff and service employees will become participants on the first day of the month following the completion of one year of service and at least 1,000 hours. Participation in the plan was frozen as of June 30, 2002.

SCHEDULE SB ATTACHMENTS

Normal or Late Retirement Benefit

Normal Retirement Date: A participant who retires from the Company after attaining the later of age 65.

Benefit Formula: The normal monthly retirement benefit of a participant payable in the normal form is the greatest of one-twelfth of (a), (b) and (c):

(a) .6833 percent of average annual compensation plus .650 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;

(b) the benefit accrued as of December 31, 1987 under the former plans, and

(c) $60 multiplied by years of benefit service.

Benefits are fixed effective June 30, 2002. The accrued benefit calculated as of June 30, 2002 will be indexed at 3% per year beginning December 31, 2003 and ending December 31, 2006.

Commencement Date: Payments shall commence on the first day of the month following an employee's retirement from the Company or the date he applies for his benefit.

Normal Form of Benefit: The benefit is paid monthly for the life of the retired participant .

Early Retirement Benefit

Eligibility: Participants with 10 or more years of vesting service may retire any time after age 55.

Benefit: Same as normal retirement. If benefits commence prior to age 65, the accrued benefit shall be reduced by 5/9ths of 1.0% for each of the first 60 months and by 5/18ths of 1.0% for each month in excess of 60 that benefit commencement date precedes Normal Retirement Date.

Commencement Date: Payments shall commence on the first day of the month coincident with or next following the later of early retirement and application for benefits.

Form of Benefit: Same as normal retirement.

SCHEDULE SB ATTACHMENTS

Vested Benefits Upon Termination of Service

Vesting: A Participant who terminates employment after completion of 5 or more years of vesting service is eligible for a vested deferred benefit

Termination Benefit: Same as normal retirement.

Commencement Date: The vested accrued benefit of terminated participant is payable as a monthly pension at age 65 or it may be payable as early as 55 with the reduction for early retirement if the participant has 10 or more years of vesting service.

Form of Benefit: Same as normal retirement.

Death Benefits for Participants in Active Service

Eligibility: An active or terminated vested participant who has completed five or more years of vesting service and was married at death is covered by the pre-retirement death benefit.

Benefit: The amount of benefit payable to the surviving spouse is the actuarial equivalent of the benefit that the participant would have received if the participant had

(a) survived to the earliest retirement date,

(b) retired and elected to be paid in the form of a joint annuity with 100 percent to the surviving spouse, and

(c) died immediately thereafter

Commencement Date: The benefit will be payable as an annuity commencing on the first of the month following the participant's death.

Pension Increases

None.

SCHEDULE SB ATTACHMENTS

Plan Participants' Contributions

No participant contributions are allowed or required.

Changes in Plan Provisions since Last Actuarial Valuation

There have been no changes in the principal plan provisions since the prior valuation.