

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>MILLER-NICHOLSON RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>01/01/1987</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MILLER-NICHOLSON INC.</u> <u>1015 OLIVE WAY</u> <u>SEATTLE, WA 98101</u>	2b Employer Identification Number (EIN) <u>91-0524992</u> 2c Sponsor's telephone number <u>206-382-8800</u> 2d Business code (see instructions) <u>441110</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>09/28/2012</u>	<u>STUART LUND</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
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3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MILLER-NICHOLSON INC. 1015 OLIVE WAY SEATTLE, WA 98101	3b Administrator's EIN 91-0524992 3c Administrator's telephone number 206-382-8800
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	161
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	124
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	31
d Subtotal. Add lines 6a , 6b , and 6c	6d	155
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	2
f Total. Add lines 6d and 6e	6f	157
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	142
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	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

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

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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

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

A Name of plan <u>MILLER-NICHOLSON RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MILLER-NICHOLSON INC.</u>	D Employer Identification Number (EIN) <u>91-0524992</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 65 37	RECORDKEEPER	7996	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan MILLER-NICHOLSON RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MILLER-NICHOLSON INC.	D Employer Identification Number (EIN) 91-0524992	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	634647	549390
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	135709	119383
(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)	2578808	2614212
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3349164	3282985

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3349164	3282985
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Part II **Income and Expense Statement**

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	249	
(B) Participants	2a(1)(B)	294433	
(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)		294682
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	67	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	8951	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9018
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	85874	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		85874
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(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)		-156697
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		232877

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	291054	
(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)		291054
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	8002	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8002
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		299056

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-66179
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PETERSON SULLIVAN LLP

(2) EIN: 91-0605875

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

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

Part IV Compliance Questions

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

During the plan year:

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

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>MILLER-NICHOLSON RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MILLER-NICHOLSON INC.</u>	D Employer Identification Number (EIN) <u>91-0524992</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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

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

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

MILLER-NICHOLSON RETIREMENT PLAN

FINANCIAL REPORT

DECEMBER 31, 2011

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CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

INDEPENDENT AUDITORS' REPORT

To the Plan Administrative Committee
Miller-Nicholson Retirement Plan
Seattle, Washington

We were engaged to audit the financial statements of the Miller-Nicholson Retirement Plan ("the Plan") as of and for the years ended December 31, 2011 and 2010, and the supplementary schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and the schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

Peterson Sullivan L.L.P.

September 25, 2012

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS	2011	2010
Money Market Funds	\$ 549,390	\$ 634,647
Investments in Mutual Funds, at fair value	2,614,212	2,578,808
Notes Receivable from Participants	119,383	135,709
Net Assets Available for Benefits	<u>\$ 3,282,985</u>	<u>\$ 3,349,164</u>

See Notes to Financial Statements

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributed to:		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (156,695)	\$ 287,207
Dividends and interest	85,940	46,371
Interest on notes receivable from participants	8,951	9,505
Contributions		
Participants'	294,433	268,974
Rollovers	249	1,138
Total additions	232,878	613,195
Deductions from net assets attributed to:		
Benefits paid to participants	291,054	251,477
Administrative expenses	8,003	3,570
Total deductions	299,057	255,047
Net increase (decrease)	(66,179)	358,148
Net assets available for benefits:		
Beginning of year	3,349,164	2,991,016
End of year	<u>\$ 3,282,985</u>	<u>\$ 3,349,164</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan

The following description of the Miller-Nicholson Retirement Plan ("the Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established January 1, 1987. It is a defined contribution plan providing benefits to eligible employees of Miller-Nicholson, Inc., MN One, Inc. dba Honda of Seattle, MN II Inc. dba Toyota of Seattle, and MN Leasing, Inc. ("the Companies"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Eligibility

Employees of the Companies who have one year or more of service and are age 18 or older are eligible to participate in the Plan.

Contributions

For all eligible employees, enrollment is automatic at 2% unless a written form is received opting out of enrollment or modifying the enrollment percentage. The automatic contribution rate is increased by 1% annually, not to exceed 10%, unless otherwise directed by the participant. Participants may contribute a maximum of 60% of compensation, subject to the maximum dollar amounts allowed by law. Participants may also contribute amounts representing distributions from other qualified plans ("rollovers"). The Companies may also make discretionary profit sharing and matching contributions subject to certain limitations. There were no discretionary contributions of either type in 2011 or 2010. All contributions to the Plan are participant-directed.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Companies' contributions and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant contributions, compensation, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Under the terms of the Plan, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participants' accounts and bear interest at a rate determined by the Plan administrator on the date of the loan (resulting in a rate of 7.5% on all notes at December 31, 2011). Loan terms cannot exceed five years, except for the purchase of a primary residence, and payments are required at least quarterly through payroll deductions. Approximately 26% of participant notes receivable are due from two participants at December 31, 2011, and approximately 54% of participant notes receivable are due from four participants at December 31, 2010.

Plan Changes

The Companies reserve the right to amend or terminate the Plan at any time. However, no such amendment or termination shall deprive any participant of any vested interest in the Plan. In the event of Plan termination, participants will become fully vested in their accounts.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Companies' discretionary contributions plus actual earnings thereon is based on the following schedule of years of credited service:

<u>COMPLETED YEARS OF SERVICE</u>	<u>PERCENTAGE VESTED</u>
0 years	0%
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

A participant becomes 100% vested if the participant reaches normal retirement age (65), dies, or becomes disabled while in the service of the Companies.

Forfeitures

The portion of a terminated participant account that is not vested ("forfeitures") is first used to pay Plan administrative expenses and then used to reduce future employer contributions. Forfeitures for 2011 and 2010 amounted to \$7,848 and \$1,339, respectively. At December 31, 2011 and 2010, there are \$2,748 and \$1,339, respectively, of forfeitures included with net assets available for benefits to reduce future expenses or employer contributions. In 2011 and 2010, \$6,696 and \$1,897, respectively, of forfeitures were used to pay Plan expenses.

Payment of Benefits

On termination of service, distributions depend on whether the vested account balance exceeds \$5,000. If the vested account balance does not exceed \$5,000, a distribution will be made to the participant in a lump-sum amount as soon as administratively possible. If the participant's account balance exceeds \$5,000, a participant may elect to receive either a lump-sum amount or installment payments equal to the value of the participant's vested interest in his or her account. Distributions can also be made to participants during their employment with the Company if they meet certain requirements (including attainment of age 59 1/2 or under certain hardship provisions) as defined within the Plan document. These in-service distributions are made in a lump-sum amount. Participants may withdraw some or all of their rollover or after-tax contributions at any time.

Administrative Expenses

Administrative expenses primarily relate to Plan administration and the annual Plan audit and may be paid by the Companies on a discretionary basis. In 2011 and 2010, the Plan paid \$8,003 and \$3,570, respectively, of administrative expenses, and the remainder were paid by the Companies.

Risks and Uncertainties

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

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Money Market Funds

Money market funds are recorded at cost plus accrued interest.

Payment of Benefits

Benefits are recorded when paid.

Contributions

Contributions from participants are recorded in the period in which they are withheld from the participant's compensation.

Notes Receivable From Participants

Notes receivable from participants are stated at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation in the fair value of investments represents the change in fair value of assets from one period to the next and includes realized gains and losses on investments. Dividends are recorded on the ex-dividend date.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's investments in mutual funds are stated at fair value based on quoted prices in an active market and are classified within Level 1 of the fair value hierarchy.

Plan investments at December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Mutual Funds:		
Blended funds	\$ 1,412,544	\$ 1,428,908
Large cap funds	614,128	441,214
Mid cap funds	357,070	408,735
Income funds	155,878	149,422
International funds	55,179	125,503
Small cap funds	19,036	20,985
Other funds	377	4,041
Total investments at fair value	<u>\$ 2,614,212</u>	<u>\$ 2,578,808</u>

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements in order to conform to the current year presentation. The reclassifications had no effect on previously reported net assets or change in net assets.

Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is the date of the independent auditors' report.

Note 3. Investments

The following investments represent 5% or more of the Plan's net assets available for benefits at December 31:

	2011	2010
Fidelity Freedom 2040 Fund	\$ 632,229	\$ 643,420
Retirement Money Market Fund	549,390	634,647
Fidelity Freedom 2030 Fund	477,042	478,741
Fidelity Spartan Total Market Index Fund	214,032	*
Fidelity Low-Priced Stock Fund	175,460	202,217

* Individual investment did not represent 5% or more of the Plan's net assets available for benefits in the applicable year.

Note 4. Information Prepared and Certified by Trustee

The following information included in the accompanying financial statements and supplementary schedule as of December 31, 2011 and 2010, and for the years then ended, was obtained from data that has been prepared and certified as complete and accurate by the trustee, Fidelity Management Trust Company ("Fidelity").

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 549,390	\$ 634,647
Investments in mutual funds, at fair value	2,614,212	2,578,808
Investment income		
Net appreciation (depreciation) in fair value of investments	(156,695)	287,207
Dividends and interest	85,940	46,371

Note 5. Party-in-Interest Transactions

Plan assets consist of mutual funds and money market funds managed and/or sponsored by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. These assets amounted to \$3,163,602 and \$3,213,455 as of December 31, 2011 and 2010, respectively.

Note 6. Income Tax Status

The Plan has adopted a non-standardized prototype sponsored by their third party administrator. The prototype has received a favorable determination from the Internal Revenue Service on October 9, 2003. The Companies have not received a determination letter as to the qualified status of the Plan's adoption agreement. The Plan has been amended since the prototype sponsored by the third party administration received a favorable determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Service. Therefore, no provision for income tax has been included in the Plan's financial statements. The Plan's Form 5500 (Annual Return/Report of Employee Benefit Plan) is open to examination by federal authorities for Plan years 2008 to 2011.

S U P P L E M E N T A R Y S C H E D U L E

MILLER-NICHOLSON RETIREMENT PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 91- 0524992

Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
*	Fidelity Investments	Freedom 2040 Fund	**	\$ 632,229
*	Fidelity Investments	Freedom 2030 Fund	**	477,042
*	Fidelity Investments	Spartan Total Market Index Fund	**	214,032
*	Fidelity Investments	Low-Priced Stock Fund	**	175,460
*	Fidelity Investments	Investment Grade Bond Fund	**	125,052
*	Fidelity Investments	Growth Company Fund	**	118,441
*	Fidelity Investments	Dividend Growth Fund	**	86,097
*	Fidelity Investments	Freedom 2020 Fund	**	82,338
*	Fidelity Investments	Contrafund	**	78,165
*	Fidelity Investments	Mid-Cap Stock Fund	**	77,550
*	Fidelity Investments	Blue Chip Growth Fund	**	71,384
*	Fidelity Investments	Freedom 2010 Fund	**	60,255
*	Fidelity Investments	Freedom 2025 Fund	**	56,482
*	Fidelity Investments	Value Fund	**	54,840
*	Fidelity Investments	Diversified International Fund	**	53,749
*	Fidelity Investments	Puritan Fund	**	30,563
*	Fidelity Investments	Spartan Extended Market Index Fund	**	27,610
*	Fidelity Investments	Freedom 2050 Fund	**	26,486
*	Fidelity Investments	Freedom 2035 Fund	**	24,078
*	Fidelity Investments	Growth Strategies	**	21,610
*	Fidelity Investments	Small-Cap Value Fund	**	18,438
*	Fidelity Investments	Short Term Bond Fund	**	18,210
*	Fidelity Investments	Fifty Fund	**	17,372
*	Fidelity Investments	Intermediate Bond Fund	**	12,616
*	Fidelity Investments	Freedom 2045 Fund	**	11,750
*	Fidelity Investments	Freedom 2015 Fund	**	9,672
*	Fidelity Investments	Equity Income Fund	**	9,264
*	Fidelity Investments	OTC Portfolio Fund	**	7,210
*	Fidelity Investments	Export and Multinational Fund	**	4,420
*	Fidelity Investments	Large-Cap Stock Fund	**	3,170
*	Fidelity Investments	Equity Income II Fund	**	2,989
*	Fidelity Investments	Freedom Income Fund	**	1,650
*	Fidelity Investments	Fidelity Fund	**	1,585
*	Fidelity Investments	Overseas Fund	**	1,430
*	Fidelity Investments	Small-Cap Discovery Fund	**	595
*	Fidelity Investments	Real Estate Investment Fund	**	378
*	Fidelity Investments	Retirement Money Market Fund	**	549,390
*	Notes Receivable from Participants	7.5% interest rate; maturing at various dates from May 2012 through December 2016	0	119,383

* Known party-in-interest.

** Information is not required as investments are participant-directed.

MILLER-NICHOLSON RETIREMENT PLAN

FINANCIAL REPORT

DECEMBER 31, 2011

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CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

INDEPENDENT AUDITORS' REPORT

To the Plan Administrative Committee
Miller-Nicholson Retirement Plan
Seattle, Washington

We were engaged to audit the financial statements of the Miller-Nicholson Retirement Plan ("the Plan") as of and for the years ended December 31, 2011 and 2010, and the supplementary schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and the schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

Peterson Sullivan L.L.P.

September 25, 2012

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS	2011	2010
Money Market Funds	\$ 549,390	\$ 634,647
Investments in Mutual Funds, at fair value	2,614,212	2,578,808
Notes Receivable from Participants	119,383	135,709
Net Assets Available for Benefits	<u>\$ 3,282,985</u>	<u>\$ 3,349,164</u>

See Notes to Financial Statements

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributed to:		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (156,695)	\$ 287,207
Dividends and interest	85,940	46,371
Interest on notes receivable from participants	8,951	9,505
Contributions		
Participants'	294,433	268,974
Rollovers	249	1,138
Total additions	232,878	613,195
Deductions from net assets attributed to:		
Benefits paid to participants	291,054	251,477
Administrative expenses	8,003	3,570
Total deductions	299,057	255,047
Net increase (decrease)	(66,179)	358,148
Net assets available for benefits:		
Beginning of year	3,349,164	2,991,016
End of year	\$ 3,282,985	\$ 3,349,164

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan

The following description of the Miller-Nicholson Retirement Plan ("the Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established January 1, 1987. It is a defined contribution plan providing benefits to eligible employees of Miller-Nicholson, Inc., MN One, Inc. dba Honda of Seattle, MN II Inc. dba Toyota of Seattle, and MN Leasing, Inc. ("the Companies"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Eligibility

Employees of the Companies who have one year or more of service and are age 18 or older are eligible to participate in the Plan.

Contributions

For all eligible employees, enrollment is automatic at 2% unless a written form is received opting out of enrollment or modifying the enrollment percentage. The automatic contribution rate is increased by 1% annually, not to exceed 10%, unless otherwise directed by the participant. Participants may contribute a maximum of 60% of compensation, subject to the maximum dollar amounts allowed by law. Participants may also contribute amounts representing distributions from other qualified plans ("rollovers"). The Companies may also make discretionary profit sharing and matching contributions subject to certain limitations. There were no discretionary contributions of either type in 2011 or 2010. All contributions to the Plan are participant-directed.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Companies' contributions and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant contributions, compensation, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Under the terms of the Plan, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participants' accounts and bear interest at a rate determined by the Plan administrator on the date of the loan (resulting in a rate of 7.5% on all notes at December 31, 2011). Loan terms cannot exceed five years, except for the purchase of a primary residence, and payments are required at least quarterly through payroll deductions. Approximately 26% of participant notes receivable are due from two participants at December 31, 2011, and approximately 54% of participant notes receivable are due from four participants at December 31, 2010.

Plan Changes

The Companies reserve the right to amend or terminate the Plan at any time. However, no such amendment or termination shall deprive any participant of any vested interest in the Plan. In the event of Plan termination, participants will become fully vested in their accounts.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Companies' discretionary contributions plus actual earnings thereon is based on the following schedule of years of credited service:

<u>COMPLETED YEARS OF SERVICE</u>	<u>PERCENTAGE VESTED</u>
0 years	0%
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

A participant becomes 100% vested if the participant reaches normal retirement age (65), dies, or becomes disabled while in the service of the Companies.

Forfeitures

The portion of a terminated participant account that is not vested ("forfeitures") is first used to pay Plan administrative expenses and then used to reduce future employer contributions. Forfeitures for 2011 and 2010 amounted to \$7,848 and \$1,339, respectively. At December 31, 2011 and 2010, there are \$2,748 and \$1,339, respectively, of forfeitures included with net assets available for benefits to reduce future expenses or employer contributions. In 2011 and 2010, \$6,696 and \$1,897, respectively, of forfeitures were used to pay Plan expenses.

Payment of Benefits

On termination of service, distributions depend on whether the vested account balance exceeds \$5,000. If the vested account balance does not exceed \$5,000, a distribution will be made to the participant in a lump-sum amount as soon as administratively possible. If the participant's account balance exceeds \$5,000, a participant may elect to receive either a lump-sum amount or installment payments equal to the value of the participant's vested interest in his or her account. Distributions can also be made to participants during their employment with the Company if they meet certain requirements (including attainment of age 59 1/2 or under certain hardship provisions) as defined within the Plan document. These in-service distributions are made in a lump-sum amount. Participants may withdraw some or all of their rollover or after-tax contributions at any time.

Administrative Expenses

Administrative expenses primarily relate to Plan administration and the annual Plan audit and may be paid by the Companies on a discretionary basis. In 2011 and 2010, the Plan paid \$8,003 and \$3,570, respectively, of administrative expenses, and the remainder were paid by the Companies.

Risks and Uncertainties

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

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Money Market Funds

Money market funds are recorded at cost plus accrued interest.

Payment of Benefits

Benefits are recorded when paid.

Contributions

Contributions from participants are recorded in the period in which they are withheld from the participant's compensation.

Notes Receivable From Participants

Notes receivable from participants are stated at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation in the fair value of investments represents the change in fair value of assets from one period to the next and includes realized gains and losses on investments. Dividends are recorded on the ex-dividend date.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's investments in mutual funds are stated at fair value based on quoted prices in an active market and are classified within Level 1 of the fair value hierarchy.

Plan investments at December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Mutual Funds:		
Blended funds	\$ 1,412,544	\$ 1,428,908
Large cap funds	614,128	441,214
Mid cap funds	357,070	408,735
Income funds	155,878	149,422
International funds	55,179	125,503
Small cap funds	19,036	20,985
Other funds	377	4,041
Total investments at fair value	<u>\$ 2,614,212</u>	<u>\$ 2,578,808</u>

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements in order to conform to the current year presentation. The reclassifications had no effect on previously reported net assets or change in net assets.

Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is the date of the independent auditors' report.

Note 3. Investments

The following investments represent 5% or more of the Plan's net assets available for benefits at December 31:

	2011	2010
Fidelity Freedom 2040 Fund	\$ 632,229	\$ 643,420
Retirement Money Market Fund	549,390	634,647
Fidelity Freedom 2030 Fund	477,042	478,741
Fidelity Spartan Total Market Index Fund	214,032	*
Fidelity Low-Priced Stock Fund	175,460	202,217

* Individual investment did not represent 5% or more of the Plan's net assets available for benefits in the applicable year.

Note 4. Information Prepared and Certified by Trustee

The following information included in the accompanying financial statements and supplementary schedule as of December 31, 2011 and 2010, and for the years then ended, was obtained from data that has been prepared and certified as complete and accurate by the trustee, Fidelity Management Trust Company ("Fidelity").

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 549,390	\$ 634,647
Investments in mutual funds, at fair value	2,614,212	2,578,808
Investment income		
Net appreciation (depreciation) in fair value of investments	(156,695)	287,207
Dividends and interest	85,940	46,371

Note 5. Party-in-Interest Transactions

Plan assets consist of mutual funds and money market funds managed and/or sponsored by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. These assets amounted to \$3,163,602 and \$3,213,455 as of December 31, 2011 and 2010, respectively.

Note 6. Income Tax Status

The Plan has adopted a non-standardized prototype sponsored by their third party administrator. The prototype has received a favorable determination from the Internal Revenue Service on October 9, 2003. The Companies have not received a determination letter as to the qualified status of the Plan's adoption agreement. The Plan has been amended since the prototype sponsored by the third party administration received a favorable determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Service. Therefore, no provision for income tax has been included in the Plan's financial statements. The Plan's Form 5500 (Annual Return/Report of Employee Benefit Plan) is open to examination by federal authorities for Plan years 2008 to 2011.

S U P P L E M E N T A R Y S C H E D U L E

MILLER-NICHOLSON RETIREMENT PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 91- 0524992

Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
*	Fidelity Investments	Freedom 2040 Fund	**	\$ 632,229
*	Fidelity Investments	Freedom 2030 Fund	**	477,042
*	Fidelity Investments	Spartan Total Market Index Fund	**	214,032
*	Fidelity Investments	Low-Priced Stock Fund	**	175,460
*	Fidelity Investments	Investment Grade Bond Fund	**	125,052
*	Fidelity Investments	Growth Company Fund	**	118,441
*	Fidelity Investments	Dividend Growth Fund	**	86,097
*	Fidelity Investments	Freedom 2020 Fund	**	82,338
*	Fidelity Investments	Contrafund	**	78,165
*	Fidelity Investments	Mid-Cap Stock Fund	**	77,550
*	Fidelity Investments	Blue Chip Growth Fund	**	71,384
*	Fidelity Investments	Freedom 2010 Fund	**	60,255
*	Fidelity Investments	Freedom 2025 Fund	**	56,482
*	Fidelity Investments	Value Fund	**	54,840
*	Fidelity Investments	Diversified International Fund	**	53,749
*	Fidelity Investments	Puritan Fund	**	30,563
*	Fidelity Investments	Spartan Extended Market Index Fund	**	27,610
*	Fidelity Investments	Freedom 2050 Fund	**	26,486
*	Fidelity Investments	Freedom 2035 Fund	**	24,078
*	Fidelity Investments	Growth Strategies	**	21,610
*	Fidelity Investments	Small-Cap Value Fund	**	18,438
*	Fidelity Investments	Short Term Bond Fund	**	18,210
*	Fidelity Investments	Fifty Fund	**	17,372
*	Fidelity Investments	Intermediate Bond Fund	**	12,616
*	Fidelity Investments	Freedom 2045 Fund	**	11,750
*	Fidelity Investments	Freedom 2015 Fund	**	9,672
*	Fidelity Investments	Equity Income Fund	**	9,264
*	Fidelity Investments	OTC Portfolio Fund	**	7,210
*	Fidelity Investments	Export and Multinational Fund	**	4,420
*	Fidelity Investments	Large-Cap Stock Fund	**	3,170
*	Fidelity Investments	Equity Income II Fund	**	2,989
*	Fidelity Investments	Freedom Income Fund	**	1,650
*	Fidelity Investments	Fidelity Fund	**	1,585
*	Fidelity Investments	Overseas Fund	**	1,430
*	Fidelity Investments	Small-Cap Discovery Fund	**	595
*	Fidelity Investments	Real Estate Investment Fund	**	378
*	Fidelity Investments	Retirement Money Market Fund	**	549,390
*	Notes Receivable from Participants	7.5% interest rate; maturing at various dates from May 2012 through December 2016	0	119,383

* Known party-in-interest.

** Information is not required as investments are participant-directed.

MILLER-NICHOLSON RETIREMENT PLAN

FINANCIAL REPORT

DECEMBER 31, 2011

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CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300

SEATTLE, WASHINGTON 98101

INDEPENDENT AUDITORS' REPORT

To the Plan Administrative Committee
Miller-Nicholson Retirement Plan
Seattle, Washington

We were engaged to audit the financial statements of the Miller-Nicholson Retirement Plan ("the Plan") as of and for the years ended December 31, 2011 and 2010, and the supplementary schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and the schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

Peterson Sullivan L.L.P.

September 25, 2012

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

ASSETS	2011	2010
Money Market Funds	\$ 549,390	\$ 634,647
Investments in Mutual Funds, at fair value	2,614,212	2,578,808
Notes Receivable from Participants	119,383	135,709
Net Assets Available for Benefits	<u>\$ 3,282,985</u>	<u>\$ 3,349,164</u>

See Notes to Financial Statements

MILLER-NICHOLSON RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributed to:		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (156,695)	\$ 287,207
Dividends and interest	85,940	46,371
Interest on notes receivable from participants	8,951	9,505
Contributions		
Participants'	294,433	268,974
Rollovers	249	1,138
Total additions	232,878	613,195
Deductions from net assets attributed to:		
Benefits paid to participants	291,054	251,477
Administrative expenses	8,003	3,570
Total deductions	299,057	255,047
Net increase (decrease)	(66,179)	358,148
Net assets available for benefits:		
Beginning of year	3,349,164	2,991,016
End of year	\$ 3,282,985	\$ 3,349,164

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan

The following description of the Miller-Nicholson Retirement Plan ("the Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established January 1, 1987. It is a defined contribution plan providing benefits to eligible employees of Miller-Nicholson, Inc., MN One, Inc. dba Honda of Seattle, MN II Inc. dba Toyota of Seattle, and MN Leasing, Inc. ("the Companies"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Eligibility

Employees of the Companies who have one year or more of service and are age 18 or older are eligible to participate in the Plan.

Contributions

For all eligible employees, enrollment is automatic at 2% unless a written form is received opting out of enrollment or modifying the enrollment percentage. The automatic contribution rate is increased by 1% annually, not to exceed 10%, unless otherwise directed by the participant. Participants may contribute a maximum of 60% of compensation, subject to the maximum dollar amounts allowed by law. Participants may also contribute amounts representing distributions from other qualified plans ("rollovers"). The Companies may also make discretionary profit sharing and matching contributions subject to certain limitations. There were no discretionary contributions of either type in 2011 or 2010. All contributions to the Plan are participant-directed.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Companies' contributions and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant contributions, compensation, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Under the terms of the Plan, participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participants' accounts and bear interest at a rate determined by the Plan administrator on the date of the loan (resulting in a rate of 7.5% on all notes at December 31, 2011). Loan terms cannot exceed five years, except for the purchase of a primary residence, and payments are required at least quarterly through payroll deductions. Approximately 26% of participant notes receivable are due from two participants at December 31, 2011, and approximately 54% of participant notes receivable are due from four participants at December 31, 2010.

Plan Changes

The Companies reserve the right to amend or terminate the Plan at any time. However, no such amendment or termination shall deprive any participant of any vested interest in the Plan. In the event of Plan termination, participants will become fully vested in their accounts.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Companies' discretionary contributions plus actual earnings thereon is based on the following schedule of years of credited service:

<u>COMPLETED YEARS OF SERVICE</u>	<u>PERCENTAGE VESTED</u>
0 years	0%
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

A participant becomes 100% vested if the participant reaches normal retirement age (65), dies, or becomes disabled while in the service of the Companies.

Forfeitures

The portion of a terminated participant account that is not vested ("forfeitures") is first used to pay Plan administrative expenses and then used to reduce future employer contributions. Forfeitures for 2011 and 2010 amounted to \$7,848 and \$1,339, respectively. At December 31, 2011 and 2010, there are \$2,748 and \$1,339, respectively, of forfeitures included with net assets available for benefits to reduce future expenses or employer contributions. In 2011 and 2010, \$6,696 and \$1,897, respectively, of forfeitures were used to pay Plan expenses.

Payment of Benefits

On termination of service, distributions depend on whether the vested account balance exceeds \$5,000. If the vested account balance does not exceed \$5,000, a distribution will be made to the participant in a lump-sum amount as soon as administratively possible. If the participant's account balance exceeds \$5,000, a participant may elect to receive either a lump-sum amount or installment payments equal to the value of the participant's vested interest in his or her account. Distributions can also be made to participants during their employment with the Company if they meet certain requirements (including attainment of age 59 1/2 or under certain hardship provisions) as defined within the Plan document. These in-service distributions are made in a lump-sum amount. Participants may withdraw some or all of their rollover or after-tax contributions at any time.

Administrative Expenses

Administrative expenses primarily relate to Plan administration and the annual Plan audit and may be paid by the Companies on a discretionary basis. In 2011 and 2010, the Plan paid \$8,003 and \$3,570, respectively, of administrative expenses, and the remainder were paid by the Companies.

Risks and Uncertainties

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

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Money Market Funds

Money market funds are recorded at cost plus accrued interest.

Payment of Benefits

Benefits are recorded when paid.

Contributions

Contributions from participants are recorded in the period in which they are withheld from the participant's compensation.

Notes Receivable From Participants

Notes receivable from participants are stated at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation in the fair value of investments represents the change in fair value of assets from one period to the next and includes realized gains and losses on investments. Dividends are recorded on the ex-dividend date.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's investments in mutual funds are stated at fair value based on quoted prices in an active market and are classified within Level 1 of the fair value hierarchy.

Plan investments at December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Mutual Funds:		
Blended funds	\$ 1,412,544	\$ 1,428,908
Large cap funds	614,128	441,214
Mid cap funds	357,070	408,735
Income funds	155,878	149,422
International funds	55,179	125,503
Small cap funds	19,036	20,985
Other funds	377	4,041
Total investments at fair value	<u>\$ 2,614,212</u>	<u>\$ 2,578,808</u>

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements in order to conform to the current year presentation. The reclassifications had no effect on previously reported net assets or change in net assets.

Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is the date of the independent auditors' report.

Note 3. Investments

The following investments represent 5% or more of the Plan's net assets available for benefits at December 31:

	2011	2010
Fidelity Freedom 2040 Fund	\$ 632,229	\$ 643,420
Retirement Money Market Fund	549,390	634,647
Fidelity Freedom 2030 Fund	477,042	478,741
Fidelity Spartan Total Market Index Fund	214,032	*
Fidelity Low-Priced Stock Fund	175,460	202,217

* Individual investment did not represent 5% or more of the Plan's net assets available for benefits in the applicable year.

Note 4. Information Prepared and Certified by Trustee

The following information included in the accompanying financial statements and supplementary schedule as of December 31, 2011 and 2010, and for the years then ended, was obtained from data that has been prepared and certified as complete and accurate by the trustee, Fidelity Management Trust Company ("Fidelity").

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 549,390	\$ 634,647
Investments in mutual funds, at fair value	2,614,212	2,578,808
Investment income		
Net appreciation (depreciation) in fair value of investments	(156,695)	287,207
Dividends and interest	85,940	46,371

Note 5. Party-in-Interest Transactions

Plan assets consist of mutual funds and money market funds managed and/or sponsored by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. These assets amounted to \$3,163,602 and \$3,213,455 as of December 31, 2011 and 2010, respectively.

Note 6. Income Tax Status

The Plan has adopted a non-standardized prototype sponsored by their third party administrator. The prototype has received a favorable determination from the Internal Revenue Service on October 9, 2003. The Companies have not received a determination letter as to the qualified status of the Plan's adoption agreement. The Plan has been amended since the prototype sponsored by the third party administration received a favorable determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Service. Therefore, no provision for income tax has been included in the Plan's financial statements. The Plan's Form 5500 (Annual Return/Report of Employee Benefit Plan) is open to examination by federal authorities for Plan years 2008 to 2011.

S U P P L E M E N T A R Y S C H E D U L E

MILLER-NICHOLSON RETIREMENT PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

EIN: 91- 0524992

Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
*	Fidelity Investments	Freedom 2040 Fund	**	\$ 632,229
*	Fidelity Investments	Freedom 2030 Fund	**	477,042
*	Fidelity Investments	Spartan Total Market Index Fund	**	214,032
*	Fidelity Investments	Low-Priced Stock Fund	**	175,460
*	Fidelity Investments	Investment Grade Bond Fund	**	125,052
*	Fidelity Investments	Growth Company Fund	**	118,441
*	Fidelity Investments	Dividend Growth Fund	**	86,097
*	Fidelity Investments	Freedom 2020 Fund	**	82,338
*	Fidelity Investments	Contrafund	**	78,165
*	Fidelity Investments	Mid-Cap Stock Fund	**	77,550
*	Fidelity Investments	Blue Chip Growth Fund	**	71,384
*	Fidelity Investments	Freedom 2010 Fund	**	60,255
*	Fidelity Investments	Freedom 2025 Fund	**	56,482
*	Fidelity Investments	Value Fund	**	54,840
*	Fidelity Investments	Diversified International Fund	**	53,749
*	Fidelity Investments	Puritan Fund	**	30,563
*	Fidelity Investments	Spartan Extended Market Index Fund	**	27,610
*	Fidelity Investments	Freedom 2050 Fund	**	26,486
*	Fidelity Investments	Freedom 2035 Fund	**	24,078
*	Fidelity Investments	Growth Strategies	**	21,610
*	Fidelity Investments	Small-Cap Value Fund	**	18,438
*	Fidelity Investments	Short Term Bond Fund	**	18,210
*	Fidelity Investments	Fifty Fund	**	17,372
*	Fidelity Investments	Intermediate Bond Fund	**	12,616
*	Fidelity Investments	Freedom 2045 Fund	**	11,750
*	Fidelity Investments	Freedom 2015 Fund	**	9,672
*	Fidelity Investments	Equity Income Fund	**	9,264
*	Fidelity Investments	OTC Portfolio Fund	**	7,210
*	Fidelity Investments	Export and Multinational Fund	**	4,420
*	Fidelity Investments	Large-Cap Stock Fund	**	3,170
*	Fidelity Investments	Equity Income II Fund	**	2,989
*	Fidelity Investments	Freedom Income Fund	**	1,650
*	Fidelity Investments	Fidelity Fund	**	1,585
*	Fidelity Investments	Overseas Fund	**	1,430
*	Fidelity Investments	Small-Cap Discovery Fund	**	595
*	Fidelity Investments	Real Estate Investment Fund	**	378
*	Fidelity Investments	Retirement Money Market Fund	**	549,390
*	Notes Receivable from Participants	7.5% interest rate; maturing at various dates from May 2012 through December 2016	0	119,383

* Known party-in-interest.

** Information is not required as investments are participant-directed.