Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
KAY MANUFACTURING CO. PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1979

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

KAY MANUFACTURING CO.

602 STATE STREET
CALUMET CITY, IL 60409

2b Employer Identification Number (EIN) 36-2643474

2c Sponsor's telephone number 708-862-6800

2d Business code (see instructions) 332900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2012	SCOTT DEKKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
KAY MANUFACTURING CO.

602 STATE STREET
CALUMET CITY, IL 60409

3b Administrator's EIN
36-2643474

3c Administrator's telephone number
708-862-6800

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	127
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**	36
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	89
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	125
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	125
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

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

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

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2011

2 Assets:

a	Market value	**2a**	2169496
b	Actuarial value	**2b**	2169496

3 Funding target/participant count breakdown:

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	1	50084
b	For terminated vested participants	**3b**	88	1144342
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		38273
	(2) Vested benefits	**3c(2)**		1425605
	(3) Total active	**3c(3)**	36	1463878
d	Total	**3d**	125	2658304

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	6.12 %
6	Target normal cost	**6**	0

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

10/01/2012
Date

ROBERT P. MARKS
Type or print name of actuary

11-03346
Most recent enrollment number

MADISON PENSION SERVICES, INC.
Firm name

914-251-0099
Telephone number (including area code)

2500 WESTCHESTER AVE SUITE 106
PURCHASE, NY 10577
Address of the firm

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	24727
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	24727
10	Interest on line 9 using prior year's actual return of 10.75%	0	2658
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		207
b	Interest on (a) using prior year's effective rate of 6.33 % except as otherwise provided (see instructions)		13
c	Total available at beginning of current plan year to add to prefunding balance		220
d	Portion of (c) to be added to prefunding balance		220
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	27605

Part III Funding percentages

14	Funding target attainment percentage	14	80.57 %
15	Adjusted funding target attainment percentage	15	80.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	0.00 %

Part IV Contributions and liquidity shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2011	18829	0			
07/15/2011	18829	0			
10/14/2011	18829	0			
01/15/2012	18829	0			
03/15/2012	44684	0			
			Totals ► 18(b)	120000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	114033

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

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

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	65

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

Part VI Miscellaneous items

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

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

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

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

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	516414	100615
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	100615

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

36 Additional cash requirement (line 34 minus line 35)	**36**	100615
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	114033

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

a Total (excess, if any, of line 37 over line 36)	**38a**	13418
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

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

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

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

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

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)

O'NEILL AND GASPARDO LLC

9697 WEST 191 STREET
SUITE 201
MOKENA, IL 60448

36-2646009

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10		10050	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

BROWN BROTHERS HARRIMAN

140 BROADWAY
NEW YORK, NY 10005

13-4973745

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15		0	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	49235	63513
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	72285	129686
(2) U.S. Government securities	1c(2)	1567	1212
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	1183303	1105902
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	863701	965437
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	2170091	2265750
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	2170091	2265750

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)	120000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		120000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	269	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	99	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		368
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	43418	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		43418
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	365957	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	286368	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		79589

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	-56330	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-56330
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		187045
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	59984	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		59984
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	31402	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		31402
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		91386
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		95659
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [X] 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 [X] No

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

(1) Name: O'NEILL & GASPARDO LLC (2) EIN: 36-2646009

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	0
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	0
e	Was this plan covered by a fidelity bond?	**4e**	X		200000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	0
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	0
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	0
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	0
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **Amount:** 0

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 36-3066209

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** 3

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

a The current year	**14a**	0
b The plan year immediately preceding the current plan year	**14b**	0
c The second preceding plan year	**14c**	0

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**	0
b The corresponding number for the second preceding plan year	**15b**	0

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**	0
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**	0

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):

KAY MANUFACTURING COMPANY
PENSION PLAN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

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O'NEILL & GASPARDO, LLC
Consultants and Certified Public Accountants

August 23, 2012

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
KAY MANUFACTURING COMPANY PENSION PLAN

We have audited the accompanying statements of net assets available for benefits of **KAY MANUFACTURING COMPANY PENSION PLAN** as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of January 1, 2011 and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of **KAY MANUFACTURING COMPANY PENSION PLAN** as of December 31, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year and reportable transactions are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'NEILL & GASPARDO, LLC

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at Fair Value:		
Interest-Bearing Cash	$ 125,707	$ 65,641
Non-Interest-Bearing Cash	3,979	6,644
Common Stocks	1,105,902	1,183,303
Mutual Funds	965,437	863,701
U.S. Government Securities	1,212	1,567
Total Investments	2,202,237	2,120,856
Employer's Contribution Receivable	63,513	49,235
TOTAL ASSETS	2,265,750	2,170,091
LIABILITIES		
TOTAL LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,265,750	$ 2,170,091

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to Net Assets:		
Investment Income:		
Net Appreciation in Fair Value of Investments	$ 23,259	$ 168,699
Net Life Insurance Gain	-	37,100
Interest and Dividends	43,687	40,040
Other Income	99	41
Total Investment Income	67,045	245,880
Employer Contributions	120,000	80,000
Total Additions	187,045	325,880
Deductions from Net Assets:		
Benefits Paid to Participants	59,984	199,130
Administrative and Other Expenses	31,402	32,703
Total Deductions	91,386	231,833
Net Increase in Net Assets	95,659	94,047
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	2,170,091	2,076,044
End of Year	$ 2,265,750	$ 2,170,091

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2011

Actuarial Present Value of Accumulated Plan Benefits:		
Vested Benefits	$	2,976,241
Nonvested Benefits		20,667
Total Actuarial Present Value of Accumulated Plan Benefits	$	2,996,908

See accompanying notes and auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
YEAR ENDED JANUARY 1, 2011

Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	$ 3,075,338
Increase (Decrease) During the Year Attributable to:	
Increase in Interest Due to the Decrease in the Discount Period	200,904
Benefits Paid to Participants	(199,130)
Change in Actuarial Assumptions	(80,204)
Net Decrease	(78,430)
Actuarial Present Value of Accumulated Plan Benefits at End of Year	$ 2,996,908

See accompanying notes and auditors' report.

NOTE 1. DESCRIPTION OF THE PLAN

The following description provides only general information on the provisions of **KAY MANUFACTURING COMPANY PENSION PLAN** (the "Plan"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory, defined benefit pension plan established by **Kay Manufacturing Company** (the "Company") on January 1, 1979 for all of the company's eligible employees, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Eligibility and Participation

All nonunion employees of the Company who have attained age 21 and completed one year of service are eligible to participate in the Plan. If the eligibility requirements are met in the first six months of the plan year, the employee shall become a participant effective at the beginning of that plan year. If the eligibility requirements are met in the last six months of the plan year, the employee will become a participant effective as of the first day of the succeeding plan year.

On May 19, 2007, the Plan was amended and restated to freeze the participation in the Plan and to freeze any future benefit accruals.

Funding Policy

The Plan is funded annually by the Company based on actuarial determinations. These contributions are at least equal to the minimum funding standards required by ERISA. The Plan met its minimum funding requirements in 2011.

Pension Benefits

The amount of monthly retirement benefit to be provided for each participant who retires on the participant's normal retirement date shall be equal to the participant's accrued benefit. A participant's accrued benefit is based on the sum of the participant's frozen accrued benefit as of December 31, 1993 and a retirement benefit formula equal to the sum of (1) 0.65% of such participant's average monthly compensation multiplied by the participant's total number of years of service (up to a maximum of 35 years), plus (2) 0.65% of such average monthly compensation in excess of one-twelfth of covered compensation (defined in the agreement as the 35 year average of the Social Security wage base) multiplied by the participant's total number of years of service (up to a maximum of 35 years), computed to the nearest dollar. The Plan also contains provisions for early retirement at age 62.

Married participants will receive their benefit in the form of a joint and survivor annuity, and single participants will receive their pension benefit in the form of a single-life annuity unless another form of payment is elected.

NOTE 1. DESCRIPTION OF THE PLAN - Continued

Death and Disability Benefits

Upon death prior to retirement date, the participant's beneficiary shall receive a death benefit equal to the actuarial equivalent of the accrued benefit determined as of the anniversary date subsequent to or coinciding with the date of death.

Active employees who become totally disabled receive annual disability payments that are equal to the normal retirement benefits they have accumulated as of the time they became disabled.

Vesting

A participant's accrued benefit is valued annually, and the participant is vested according to the following schedule:

Years of Service	Percentage
Less than 3	0%
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

Participants also become fully vested upon plan termination, reaching their normal retirement age or upon date of death or disability.

Administrative Expenses

Certain expenses incurred in the administration of the Plan are paid directly by the Company.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's investments are valued by Brown Brothers Harriman (BBH), the custodian, based on quoted market prices. Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries. Benefits under the Plan are based on an employee's highest consecutive five-year average of compensation. Benefits payable under all circumstances - retirement, death, disability and termination of employment are included to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Madison Pension Services, Inc. and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of January 1, 2011 were (a) life expectancy of participants based on the 2011 applicable mortality table; (b) an assumed retirement age of 65 with the completion of five years of participation; and (c) an assumed rate of return on investments of 2.16% to 6.05% (a rate of 3.13% to 5.50% was used for the year ended January 1, 2010). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payments of Benefits

Benefits are recorded when paid.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3. FAIR VALUE MEASUREMENTS

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

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

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LEVEL 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Money Markets, Common Stock and U.S. Government Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

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

NOTE 3. FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010, respectively:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 125,707	$ -	$ -	$ 125,707
Common Stocks:				
Consumer	348,533	-	-	348,533
Energy	99,108	-	-	99,108
Financial	239,173	-	-	239,173
Health Care	174,483	-	-	174,483
Industrial	79,985	-	-	79,985
Information Technology	164,620	-	-	164,620
Total Common Stocks:	1,105,902	-	-	1,105,902
Mutual Funds:				
Fixed Income	831,213	-	-	831,213
International	86,993	-	-	86,993
Small/Mid Cap	47,231	-	-	47,231
Total Mutual Funds	965,437	-	-	965,437
U.S. Gov't Securities	1,212	-	-	1,212
Total	$2,198,258	$ -	$ -	$2,198,258

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 65,641	$ -	$ -	$ 65,641
Common Stocks:				
Consumer	434,055	-	-	434,055
Energy	116,720	-	-	116,720
Financial	266,490	-	-	266,490
Health Care	155,137	-	-	155,137
Industrial	111,147	-	-	111,147
Information Technology	99,754	-	-	99,754
Total Common Stocks:	1,183,303	-	-	1,183,303
Mutual Funds:				
Fixed Income	717,544	-	-	717,544
International	146,157	-	-	146,157
Total Mutual Funds	863,701	-	-	863,701
U.S. Gov't Securities	1,567	-	-	1,567
Total	$2,114,212	$ -	$ -	$2,114,212

NOTE 4. INVESTMENTS

The following table presents the fair values of investments. Investments that represent 5% or more of the Plan's net assets as of year end are identified separately.

	2011	2010
Interest-Bearing Cash	$ 125,707	$ 65,641
Non-Interest-Bearing Cash	3,979	6,644
Common Stocks	1,105,902	1,183,303
Mutual Funds:		
BBH Broad Market Fixed Income	831,213	717,544
BBH International Equity Fund	-	146,157
Other Mutual Funds	134,224	-
Total Mutual Funds	965,437	863,701
U.S. Government Securities	1,212	1,567
Total	$ 2,202,237	$ 2,120,856

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2011	2010
Common Stocks	$ 54,720	$ 149,473
Mutual Funds	(31,263)	19,236
U.S. Government Securities	(198)	(10)
Total	$ 23,259	$ 168,699

NOTE 5. PARTY-IN-INTEREST TRANSACTIONS

The Plan has given discretionary authority to BBH to manage its investment assets. BBH is also the custodian of the Plan and, therefore, qualifies as a party-in-interest. Fees paid to BBH during 2011 and 2010 totaled $12,918 and $11,170, respectively.

NOTE 6. PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will generally be allocated, as prescribed by ERISA and its related regulations, to provide the following benefits in the order indicated:

NOTE 6. PLAN TERMINATION - Continued

1. Benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.

2. Costs for former employees or their beneficiaries who have been receiving benefits or who have been eligible to receive normal retirement benefits for less than three years.

3. Costs for former employees or their beneficiaries who were eligible to receive early retirement benefits as of the date of Plan termination.

4. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed elsewhere.

5. All other vested benefits (that is, vested benefits not insured by the PBGC).

6. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits and certain disability and survivor's benefits. However, the amount of benefit protection from the PBGC is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For some annuitants, or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 7. INCOME TAX STATUS

The Plan obtained its latest determination letter on July 29, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted recently issued accounting principles related to uncertain tax positions and has evaluated its tax positions taken from all open tax years. Currently, the 2008, 2009 and 2010 tax years are open and subject to examination by the Internal Revenue Service and Department of Labor.

Based on evaluation of the Plan's tax positions, the Plan administrator believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2011 and 2010.

NOTE 8. RISKS AND UNCERTAINTIES

As of December 31, 2011 and 2010, cash in the amounts of $110,538 and $5,549, respectively, were held by BBH, which is a private bank subject to state regulation but not covered by Federal Deposit Insurance Corporation (FDIC) deposit insurance. However, since BBH is a member of the Securities Investor Protection Corporation (SIPC), $100,000 of the Plan's cash and $500,000 of the Plan's total assets held at BBH are covered by SIPC insurance.

Substantially all of the Plan's remaining cash and cash equivalents are held in bank deposit and money market accounts. There were no amounts in excess of the FDIC limits at December 31, 2011 and 2010. The Plan has not experienced any losses in its cash and cash equivalents, and the Plan's administrator believes that the Plan is not exposed to any significant credit risk on cash and cash equivalents.

The Plan's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 9. SCHEDULES REQUIRED BY DEPARTMENT OF LABOR FOR FORM 5500

The Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible has been excluded from the supplemental information. For the years ended December 31, 2011 and 2010, the Plan did not have any loans or fixed income obligations that were in default or classified as uncollectible.

NOTE 10. SUBSEQUENT EVENTS

The Plan has evaluated events subsequent to December 31, 2011 for possible adjustment or disclosure to the accompanying financial statements. The evaluation was done through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2011

E.I.N. 36-2643474 PLAN NUMBER 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost of Asset	(e) Current Value
	Interest-Bearing Cash	0.01% - 0.25%	$ 125,707	$ 125,707
	Non-Interest-Bearing Cash	0.00%	3,979	3,979
	Common Stocks			
	Comcast Corp. - CL A	2,400 shares	58,788	56,904
	Liberty Corp Interactive A	2,022 shares	34,929	32,787
	Target Corporation	750 shares	37,217	38,415
	Anheuser-Busch	500 shares	25,975	30,495
	Diageo PLC	650 shares	38,210	56,823
	Nestle S A	975 shares	25,181	56,267
	Pepsico Inc.	325 shares	17,925	21,564
	Walmart Stores Inc.	925 shares	42,929	55,278
	EOG Resources Inc.	350 shares	32,320	34,478
	Occidental Petroleum	400 shares	15,654	37,480
	Southwestern Energy Co.	850 shares	31,927	27,149
	Berkshire Hathaway Inc. CL B	850 shares	47,835	64,855
	Chubb Corp.	650 shares	31,950	44,993
	Progressive Corp. Ohio	1,950 shares	30,208	38,045
	US Bancorp	2,050 shares	47,435	55,453
	Wells Fargo & Co.	1,300 shares	40,475	35,828
	Baxter International	850 shares	40,245	42,058
	Dentsply Intl Inc.	1,000 shares	27,565	34,990
	Johnson and Johnson	450 shares	28,066	29,511
	Novartis AG	850 shares	45,591	48,595
	Henry Schein Inc.	300 shares	19,075	19,329
	Waste Management Inc.	1,650 shares	50,396	53,971
	Automatic Data Processing Inc.	450 shares	17,979	24,304
	Dell Inc.	2,125 shares	54,277	31,089
	Ebay Inc.	1,200 shares	20,615	36,396
	Microsoft Corp.	850 shares	20,655	22,066
	Visa Inc.	500 shares	36,711	50,765
	Ecolab Inc.	450 shares	18,060	26,014
	Total Common Stocks		938,193	1,105,902
	Mutual Funds			
*	BBH Broad Market Fund	80,936.018 shares	823,385	831,213
*	BBH International Equity Fund	7,409.988 shares	111,700	86,993
	Longleaf Partners Small Cap Fund	1,872.022 shares	55,000	47,231
	Total Mutual Funds		990,085	965,437

See accompanying auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2011

E.I.N. 36-2643474 PLAN NUMBER 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost of Asset	(e) Current Value
	U.S. Government Securities GNMA Pool #196315	8.5%, 1,207 shares, due 12/15/18	1,198	1,212
	TOTAL ASSETS HELD AT END OF YEAR		$ 2,059,162	$ 2,202,237

* Represents a party-in-interest

See accompanying auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN

SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2011

E.I.N. 36-2643474 PLAN NUMBER 001

(a) Identity of Party Involved	(b) Description of Asset (Including Interest Rate and Maturity in Case of Loan)	(c) Purchase Price	(d) Selling Price	(f) Expense Incurred With Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain/ (Loss)
Brown Brothers Harriman	Broad Market Fund Class N	$ 125,000	$ -	$ -	$ 125,000	$ 125,000	$ -

See accompanying auditors' report.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 1/1/2011 and ending 12/31/2011

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

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

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
362643474

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

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

Part I Basic Information

1	Enter the valuation date: 1/1/2011			
2	Assets:			
	a Market value		2a	2169496
	b Actuarial value		2b	2169496
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	1	50084
	b For terminated vested participants	3b	88	1144342
	c For active participants:			
	(1) Non-vested benefits	3c(1)		38273
	(2) Vested benefits	3c(2)		1425605
	(3) Total active	3c(3)	36	1463878
	d Total	3d	125	2658304
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5	Effective interest rate		5	6.12 %
6	Target normal cost		6	0

Statement by Enrolled Actuary

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

SIGN HERE RPM

Signature of actuary

10/1/2012
Date

ROBERT P. MARKS
Type or print name of actuary

1103346
Most recent enrollment number

MADISON PENSION SERVICES, INC.
Firm name

9142510099
Telephone number (including area code)

2500 WESTCHESTER AVE SUITE 106

PURCHASE NY 10577
Address of the firm

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	24727
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	24727
10	Interest on line 9 using prior year's actual return of 10.75 %	0	2658
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		207
	b Interest on (a) using prior year's effective rate of 6.33 % except as otherwise provided (see instructions)		13
	c Total available at beginning of current plan year to add to prefunding balance		220
	d Portion of (c) to be added to prefunding balance		220
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	27605

Part III Funding percentages

14	Funding target attainment percentage	14	80.57 %
15	Adjusted funding target attainment percentage	15	80.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
4/15/2011	18829	0			
7/15/2011	18829	0			
10/14/2011	18829	0			
1/15/2012	18829	0			
3/15/2012	44684	0			
			Totals ▶ 18(b)	120000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	114033

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

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

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 65

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

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

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

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

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	516414	100615
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval ( ) and the waived amount — **33**:

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) — **34**: 100615

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

36 Additional cash requirement (line 34 minus line 35)	**36**	100615
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	114033

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

a Total (excess, if any, of line 37 over line 36)	**38a**	13418
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

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

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 19 - Discounted Employer Contributions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Date	Amount	Plan Year	Effective Rate of Interest	Discounted Amount
04/15/2011	18829.00	2011	6.12%	18513.00
07/15/2011	18829.00	2011	6.12%	18241.00
10/14/2011	18829.00	2011	6.12%	17973.00
01/15/2012	18829.00	2011	6.12%	17703.00
03/15/2012	44684.00	2011	6.12%	41603.00
Total for Minimum Required Contribution	120000.00			114033.00

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Normal Retirement Benefit

Actuarial Cost Method: PPA06 Funding Rules

Funding Yield Curve Segmented Rates

First Segment:	3.78%
Second Segment:	6.31%
Third Segment:	6.57%

PBGC Segmented Rates

First Segment:	1.98%
Second Segment:	5.23%
Third Segment:	6.52%

Pre-Retirement Valuation Assumptions

Mortality Table 2011 430(h)(3)(A)-Optional combined

Retirement Valuation Assumptions

Mortality Table 2011 430(h)(3)(A)-Optional combined

Mortality table applied on a static basis

IRC417(e)(3) Interest Assumption

Segment Rate same as Funding Yield Curve Segmented Rates

IRC417(e)(3) Pre-retirement Mortality

Mortality Table 2011 417(e)(3) Applicable Mortality Table

IRC417(e)(3) Retirement Mortality

Mortality Table 2011 417(e)(3) Applicable Mortality Table

Optional Forms Assumption

0% of participants will elect the Plan Normal Form

100% of participants will elect a Lump Sum (single payment)

0% of participants will elect a 50% Joint & Contingent annuity

Pre-Retirement Death Benefit

Liability funded on a reserve basis with Normal Retirement Benefit

Mortality Table 2011 430(h)(3)(A)-Optional combined

Retirement Incidence

Participants are assumed to retire on the Normal Retirement Date

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Pre-Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Assumptions for IRC415 Maximum Benefit Actuarial Adjustments

Investment Earnings	5% Effective annual rate
Mortality Table	2011 417(e)(3) Applicable Mortality Table

Retirement Protection Act of 1994 Interest Rate for non-life annuities

Investment Earnings	5.5% Effective annual rate

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Summary of Plan Provisions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
ID: KAYDB11

Plan Effective Date	January 1, 1979
Plan Anniversary Date	January 1, 2011
Participation Eligibility	Minimum age: 21 and Minimum months of service: 12
Plan Entry Date	Plan anniversary nearest the satisfaction of the participation requirements
Normal Retirement Date	65th birthday and the completion of 5 years of participation
Normal Form of Benefit	Single Life Annuity (Qualified Joint and Survivor annuity is the required standard option)
Retirement Benefit Optional Forms	Lump Sum (single payment) 50% Monthly Joint and Contingent Annuity
Normal Retirement Benefit	Accrued Benefit at 12/31/93, plus 0.65% per year of service after 12/31/93 times comp, plus 0.65% per year of service after 12/31/93 times comp * * in excess of the integration level: Table I - Maximum $97500 - Year: 2007 Maximum total years of service: 0 Maximum years of past service: 0 IRC415 maximum annual benefit: $195,000 Actuarially adjusted under IRC415(b) for benefit commencement age and benefit form Benefit limited to 100% of compensation Minimum benefit: 2% of compensation per year of topheavy plan participation up to 10
Compensation Definition	Highest consecutive 5 year average salary over all service Annual salary up to $245,000 considered
Pre-Retirement Death Benefit	Lump sum payable on death of participant Qualified pre-retirement survivor annuity is payable to the surviving spouse, unless waived with spousal consent.
Benefit Amount	100% present value of accrued benefit
Vested Retirement Benefit	Vesting Schedule: 20% a year after 3 years(100% after 7 years) Computation Period: Plan Years Based on periods of service rounded to nearest year

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Summary of Plan Provisions
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
ID: KAYDB11

Accrued Retirement Benefit	Benefit Acruals Frozen as of 5/19/07 The accrued benefit is the total of the accrued benefit as of 12/31/1993 and the accruals under the current plan formula for years of service after 12/31/1993 to the benefit determination date
Early Retirement Benefit	Accrued retirement benefit Eligibility requirements: Eligibility: Minimum age: 62 Benefit Adjustment: The benefit is actuarially reduced for each year by which retirement age precedes normal retirement age, or if retirement is after normal retirement, the benefit is the greater of the in-service benefit as of the retirement date and the normal retirement benefit actuarially increased to the retirement date.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 26 - Schedule of Active Participant Data
Plan Name: KAY MANUFACTURING CO. PENSION PLAN
Plan Number: 000

	Years of Credited Service																			
	< 1		1 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 - 34		35 - 39		40+	
Age	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.
<25																				
25-29																				
30-34							5													
35-39	1				1				3		1									
40-44									2		2									
45-49							1		1		1		8							
50-54									1				1							
55-59									1				2		1					
60-64											1		1						1	
65-69																			1	
70+																				

Age is attained age as of the valuation date.

# indicates the number of active participants in an age and service category.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 32 - Schedule of Amortization Bases
Plan Name: KAY MANUFACTURING CO. PENSION PLAN

Type of Base	Present Value	Date Established	Years Remaining	Amount of Installment
Shortfall Base	93,861	01/01/2008	4	24,787
Shortfall Base	20,961	01/01/2009	5	4,509
Shortfall Base	247,828	01/01/2010	6	46,020
Shortfall Base	153,763	01/01/2011	7	25,299

KAY MANUFACTURING CO. PENSION PLAN

Schedule SB, line 22 - Description of Weighted Average Retirement Age

Plan Name: KAY MANUFACTURING CO. PENSION PLAN

The weighted average retirement age of 65 is the average of the assumed retirement ages for all active participants as of the valuation date rounded to the nearest whole age. For an active late retiree, the assumed retirement age may be later than the Plan's normal retirement age. Each participant's rate of retirement is assumed to be 100% of his/her assumed retirement age.

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2011

E.I.N. 36-2643474 PLAN NUMBER 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost of Asset	(e) Current Value
	Interest-Bearing Cash	0.01% - 0.25%	$ 125,707	$ 125,707
	Non-Interest-Bearing Cash	0.00%	3,979	3,979
	Common Stocks			
	Comcast Corp. - CL A	2,400 shares	58,788	56,904
	Liberty Corp Interactive A	2,022 shares	34,929	32,787
	Target Corporation	750 shares	37,217	38,415
	Anheuser-Busch	500 shares	25,975	30,495
	Diageo PLC	650 shares	38,210	56,823
	Nestle S A	975 shares	25,181	56,267
	Pepsico Inc.	325 shares	17,925	21,564
	Walmart Stores Inc.	925 shares	42,929	55,278
	EOG Resources Inc.	350 shares	32,320	34,478
	Occidental Petroleum	400 shares	15,654	37,480
	Southwestern Energy Co.	850 shares	31,927	27,149
	Berkshire Hathaway Inc. CL B	850 shares	47,835	64,855
	Chubb Corp.	650 shares	31,950	44,993
	Progressive Corp. Ohio	1,950 shares	30,208	38,045
	US Bancorp	2,050 shares	47,435	55,453
	Wells Fargo & Co.	1,300 shares	40,475	35,828
	Baxter International	850 shares	40,245	42,058
	Dentsply Intl Inc.	1,000 shares	27,565	34,990
	Johnson and Johnson	450 shares	28,066	29,511
	Novartis AG	850 shares	45,591	48,595
	Henry Schein Inc.	300 shares	19,075	19,329
	Waste Management Inc.	1,650 shares	50,396	53,971
	Automatic Data Processing Inc.	450 shares	17,979	24,304
	Dell Inc.	2,125 shares	54,277	31,089
	Ebay Inc.	1,200 shares	20,615	36,396
	Microsoft Corp.	850 shares	20,655	22,066
	Visa Inc.	500 shares	36,711	50,765
	Ecolab Inc.	450 shares	18,060	26,014
	Total Common Stocks		938,193	1,105,902
	Mutual Funds			
*	BBH Broad Market Fund	80,936.018 shares	823,385	831,213
*	BBH International Equity Fund	7,409.988 shares	111,700	86,993
	Longleaf Partners Small Cap Fund	1,872.022 shares	55,000	47,231
	Total Mutual Funds		990,085	965,437

See accompanying auditors' report.

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2011

E.I.N. 36-2643474 PLAN NUMBER 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost of Asset	(e) Current Value
	U.S. Government Securities GNMA Pool #196315	8.5%, 1,207 shares, due 12/15/18	1,198	1,212
	TOTAL ASSETS HELD AT END OF YEAR		$ 2,059,162	$ 2,202,237

* Represents a party-in-interest

See accompanying auditors' report.