

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☒ a multiple-employer plan; or ☐ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>03/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>03/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>03/01/2006</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>CHANDLER MAY, INC.</u> <u>133 WEST PARK LOOP</u> <u>HUNTSVILLE, AL 35806</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-3753931</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>256-319-7229</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336410</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-3753931</u>	2c Sponsor's telephone number <u>256-319-7229</u>	2d Business code (see instructions) <u>336410</u>	
2b Employer Identification Number (EIN) <u>20-3753931</u>					
2c Sponsor's telephone number <u>256-319-7229</u>					
2d Business code (see instructions) <u>336410</u>					

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

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

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

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CHANDLER MAY, INC. 133 WEST PARK LOOP HUNTSVILLE, AL 35806	3b Administrator's EIN 20-3753931 3c Administrator's telephone number 256-319-7229
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	178
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	171
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	16
d Subtotal. Add lines 6a , 6b , and 6c	6d	187
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	187
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	130
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

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

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	39644	187	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	7769

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

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

NFP INSURANCE SERVICES INC
1250 CAPITAL OF TEXAS HIGHWAY SOUTH
BUILDING 2 SUITE 125
AUSTIN, TX 78746-0000

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	7769	SERVICES TO INSURER OR PLAN	4

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	531919
5 Current value of plan's interest under this contract in separate accounts at year end	5	1956007

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	399522
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c Additions: (1) Contributions deposited during the year	7c(1)	122164	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	6773	
(4) Transferred from separate account	7c(4)	128480	
(5) Other (specify below)	7c(5)	1048	

▶ **LOAN REPAYMENTS MISCELLANEOUS IN**

(6) Total additions	7c(6)	258465
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d Total of balance and additions (add b and c(6))	7d	657987
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	993	
(2) Administration charge made by carrier	7e(2)	18	
(3) Transferred to separate account	7e(3)	124440	
(4) Other (specify below)	7e(4)	617	

▶ **LOAN INITIATIONS MISCELLANEOUS OUT FORFEITURE DEBITS**

(5) Total deductions	7e(5)	126068
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f Balance at the end of the current year (subtract e(5) from d)	7f	531919
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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

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

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

06-1050034

(b) Enter name and EIN or address of person who provided you disclosure 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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64	NONE	546	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

NFP SECURITIES INC

74-2794194

(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?
33 71	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	178	Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)	

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP GROW/JP MORGAN</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-141</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>287936</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LGE CP VAL/LSV ASSET MGMT</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-318</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>295209</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP BLEND/BATTERYMATC</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-143</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14541</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND/PIMCO</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-299</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>279452</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>HI YIELD/CAYWOOD-SCHOLL</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-300</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4129</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SM CAP GROWTH/BOSTONCO</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-319</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>77902</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP BLEND/WHV FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-254</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>15270</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP GR/TIMESSQUARE FD		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-186	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 121845
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE/INTEGRITY		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-439	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 81257
a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP VALUE/CRM FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-440	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 84054
a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OFFII GLOBAL STRATEGY		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 135175
a Name of MTIA, CCT, PSA, or 103-12 IE: WAD & REED ADV SCI & TECH		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-394	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 40849
a Name of MTIA, CCT, PSA, or 103-12 IE: BAL/WELLING MGMT PIM FD		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-296	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20764
a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7919
a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP BLEND/VICTORY		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18017
a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL BLEND/AQR		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-125	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 471688
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	10795	6908
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)	1429632	1956007
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	45069	60475
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	399522	531919
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1885018	2555309

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1885018	2555309
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	98650	
(B) Participants	2a(1)(B)	692668	
(C) Others (including rollovers)	2a(1)(C)	928	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		792246
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	337	
(F) Other	2b(1)(F)	6773	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7110
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	945	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		945
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-97069
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-1362
c Other income.....	2c		-3
d Total income. Add all income amounts in column (b) and enter total.....	2d		701867

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	31019	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		31019
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	557	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		557
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		31576

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		670291
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: ANGLIN REICHMANN SNELGROVE & ARMST

(2) EIN: 63-1262841

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		73849
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?.....			
4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....			
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5b(1) Name of plan(s)

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

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

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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
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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
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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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010 (COMPILED)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
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FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5

SUPPLEMENTARY INFORMATION

Schedule H, line 4a - Schedule of Delinquent Participant Contributions	13
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	14

Anglin·Reichmann Snellgrove & Armstrong P.C.

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Jay A. Reichmann, CPA	Ryan J. Campbell, CPA
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	Thomas G. Hallin, CPA
	Brandon C. Smith, CPA

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

We were engaged to audit the financial statements of Chandler May, Inc. 401(k) Plan as of December 31, 2011, and for the year ended December 31, 2011, and the supplementary information as of and for the year ended December 31, 2011 as listed in the accompanying table of contents. These financial statements and supplementary information are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, 5 and 6, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Custodian as of and for the year ended December 31, 2011, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

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

We have compiled the accompanying Statement of Net Assets Available for Benefits of Chandler May, Inc. 401(k) Plan as of December 31, 2010. We have not audited or reviewed the accompanying Statement of Net Assets Available for Benefits and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintain internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist plan management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 28, 2012

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010 (COMPILED)

<u>Assets</u>		
	<u>2011</u>	<u>(Compiled) 2010</u>
Participant-directed investments, at fair value:		
Guaranteed interest account	\$ 531,919	\$ 399,522
Pooled separate accounts	1,956,007	1,429,632
Shares of registered investment companies	<u>60,475</u>	<u>45,069</u>
Total Investments, at Fair Value	<u>2,548,401</u>	<u>1,874,223</u>
Receivables:		
Employer contributions	254,106	98,650
Notes receivable from participants	<u>6,908</u>	<u>10,795</u>
Total Receivables	<u>261,014</u>	<u>109,445</u>
Total Assets	<u>2,809,415</u>	<u>1,983,668</u>
<u>Liabilities</u>		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits, at Fair Value	2,809,415	1,983,668
Adjustment from fair value to contract value for fully benefit responsive investment contract	<u>-</u>	<u>-</u>
Net Assets Available for Benefits	<u>\$ 2,809,415</u>	<u>\$ 1,983,668</u>

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

Addition to Net Assets Attributed to:

Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	\$ (98,431)
Dividends	945
Other income (loss)	(3)
Participant loan interest	337
Other interest	<u>6,773</u>
Total Investment Income (Loss)	(90,379)
Participant-directed contributions:	
Employer	254,106
Participant salary deferrals	692,668
Participant rollovers	<u>928</u>
Total Contributions	<u>947,702</u>
Total Additions to Net Assets	857,323

Deduction from Net Assets Attributed to:

Benefits paid to participants	30,077
Deemed distributions	942
Administrative fees	<u>557</u>
Total Deductions from Net Assets	<u>31,576</u>
Net Increase in Net Assets	825,747

Net Assets Available for Benefits:

Beginning of Year	<u>1,983,668</u>
End of Year	<u><u>\$ 2,809,415</u></u>

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

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one years of age.

Contributions

Participant Salary Deferrals - Participants may contribute up to 75% of their pre-tax annual compensation, as defined by the Plan, up to a maximum amount established by the Internal Revenue Service. Participants 50 years old or older during the plan year are eligible for catch-up contributions, up to a maximum amount established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Discretionary Employer Match - Each employer may, at the discretion of its Board of Directors, make a regular matching contribution to the Plan for each contribution period on behalf of each of its eligible employees. For the year ended December 31, 2011, each employer made matching contributions equal to 50% of the participant's elective deferrals. However, elective deferrals that exceeded 6% of the participant's compensation were not considered.

Discretionary Contribution - At the end of the plan year, each employer may, at the discretion of its Board of Directors, make a nonelective contribution to the Plan on behalf of each of its eligible employees. Nonelective contributions, if made, are allocated to eligible employees based upon the percentage of the employee's compensation to the total compensation of all eligible employees of the employer.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investments options offered by the Plan. As of December 31, 2011, the Plan offered a fully benefit responsive investment contract, pooled separate accounts and registered investment companies which invest in various combinations of stocks bonds and other investment securities.

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings, and charged with an allocation of administration expenses. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions. The Company's matching and discretionary contributions vest over a six (6) year graded period.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates and determined by the Plan Administrator at the time of issuance. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits

Participants with fund balances of \$1,000 or less will receive the vested interest in his or her account as a lump-sum distribution. On termination of service, a participant may elect (a) lump-sum amount equal to the vested value of his or her account, (b) annual installments over a period specified by the participant, or (c) a direct rollover.

Forfeited Accounts

Forfeited non-vested accounts are first assessed against plan expenses, and then are used to reduce employer contributions at year end. For year end December 31, 2011, \$6,190 was used to reduce plan expenses. At December 31, 2011 and 2010, there were forfeited non-vested accounts totaling \$9,829 and \$8,499, respectively.

Amendment and Termination

The Company has the right under the Plan to amend or terminate the Plan at any time subject to the provisions of ERISA. No amendment may permit any Plan assets to revert to the Company or be used for any purpose other than to provide benefits to participants and their beneficiaries.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 2 - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

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

Notes Receivable from Participants

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

Investment Valuation and Income Recognition

Plan investments are stated at fair value. Prudential Retirement Insurance and Annuity Company calculates the value of each participant account based on market value of the underlying investments. Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the market value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Fees

The employer absorbs significant costs of plan administration. Certain transfer and investment fees are absorbed by the Plan and are reflected in the accompanying financial statements.

Uncertain Tax Positions

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Date of Management's Review

Management has evaluated subsequent events through September 28, 2012, the date which the financial statements were available to be issued.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payment or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the Custodian.

The following table represents the fair value of investments as of December 31, 2011 and 2010, with investments representing five percent (5%) or more of the Plan's net assets being separately identified:

	2011
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919
	2010
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 182,086
Prudential Retirement Large Cap Value / LSV Fund	275,599
Prudential Retirement Large Cap Grow / JP Morgan	266,679
Prudential Retirement SA/OFII Global Strategy	119,860
Prudential Retirement International Blend / AQR	219,620
Prudential Retirement Guaranteed Income Fund	399,522

During the year ended December 31, 2011, the Plan's investments (including investments bought, sold and held during the year) depreciated in value by \$98,431 as follows:

Net Appreciation (Depreciation) in Value

Pooled separate accounts	\$ (97,069)
Shares of registered investment companies	(1,362)
	<hr/>
Total	<u><u>\$ (98,431)</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 5 - Investment Contract with Financial Institution (Unaudited)

The Plan has a fully benefit responsive investment contract with Prudential Retirement. Prudential maintains the contributions in a general account. The account is credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Prudential is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and therefore there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was \$531,919 and \$399,522, respectively. The crediting interest rate is based on an agreed-upon formula with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on a quarterly basis for resetting.

There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than Contract Value paid either within 90 days or over time.

Average Yields:

	<u>2011</u>	<u>2010</u>
Based on annualized earnings (1)	1.500%	1.750%
Based on interest rate credited to participants (2)	1.500%	1.750%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 6 - Fair Value Measurements (Unaudited)

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).

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Foundation's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 or level 3 assets measured at fair value. There have been no changes in the methodologies used at September 30, 2011 and 2010.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed interest account: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2011</u>				
Shares of registered investment companies:				
Fixed income	\$ 45,550	\$ -	\$ -	\$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total Shares of registered investment companies	<u>60,475</u>	<u>-</u>	<u>-</u>	<u>60,475</u>
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total Pooled separate accounts	<u>-</u>	<u>1,956,007</u>	<u>-</u>	<u>1,956,007</u>
Guaranteed interest account	<u>-</u>	<u>-</u>	<u>531,919</u>	<u>531,919</u>
Total investments at fair value	<u>\$ 60,475</u>	<u>\$ 1,956,007</u>	<u>\$ 531,919</u>	<u>\$ 2,548,401</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
<u>December 31, 2010</u>				
Shares of registered investment companies:				
Fixed income	\$ 34,221	\$ -	\$ -	\$ 34,221
International stock	9,293	-	-	9,293
Balanced	1,555	-	-	1,555
Total Shares of registered investment companies	45,069	-	-	45,069
Pooled separate accounts:				
Balanced	-	16,740	-	16,740
Fixed income	-	182,165	-	182,165
Global stock	-	119,860	-	119,860
International stock	-	219,620	-	219,620
Large cap stock	-	555,754	-	555,754
Mid cap stock	-	166,579	-	166,579
Small cap stock	-	135,918	-	135,918
Specialty	-	32,996	-	32,996
Total Pooled separate accounts	-	1,429,632	-	1,429,632
Guaranteed interest account	-	-	399,522	399,522
Total investments at fair value	<u>\$ 45,069</u>	<u>\$ 1,429,632</u>	<u>\$ 399,522</u>	<u>\$ 1,874,223</u>

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010:

	Guaranteed Interest Account
Balance at December 31, 2009	\$ 310,652
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	<u>88,870</u>
Balance at December 31, 2010	399,522
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	<u>132,397</u>
Balance at December 31, 2011	<u>\$ 531,919</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 7 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA.

Note 8 - Income Tax Status

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan 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 Internal Revenue Code.

Note 9 - Reconciliation of Financial Statements to Schedule H of Form 5500

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

	2011	(Compiled) 2010
Net assets available for benefits per the financial statements	\$ 2,809,415	\$ 1,983,668
Current year employer contributions receivable	<u>(254,106)</u>	<u>(98,650)</u>
Net assets per Schedule H of the Form 5500	<u><u>\$ 2,555,309</u></u>	<u><u>\$ 1,885,018</u></u>

The following is a reconciliation of net increase in net assets per the financial statements for the year ended December 31, 2011 to net income per Schedule H of the Form 5500:

Net increase in net assets per the financial statements	\$ 825,747
Prior year employer contributions receivable	98,650
Current year employer contributions receivable	<u>(254,106)</u>
Net income per Schedule H of the Form 5500	<u><u>\$ 670,291</u></u>

Note 10 - Risks and Uncertainties

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

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

Form 5500, line 4a Schedule of Delinquent Participant Contributions				
Participant contributions transferred late to plan	Total that constitute nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
Check here if late participant loan repayments are included: ☐	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	
\$ 73,849	\$ -	\$ -	\$ 73,849	\$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(d) Cost **	Current Value
	American Funds	Capital Income Builder R3		\$ 2,259
	Goldman Sachs	Global Income Fund A		45,550
*	Prudential Retirement	Fixed Income-High Yield		4,129
*	Prudential Retirement	Core Plus Bond/PIMCO Fund		279,452
*	Prudential Retirement	Balanced Fund		20,764
*	Prudential Retirement	Large Cap Value / LSV Fund		295,209
*	Prudential Retirement	Large Cap Grow / JP Morgan		287,936
*	Prudential Retirement	Large Cap Blend / Victory		18,017
*	Prudential Retirement	Dryden S&P 500 Index Fund		7,919
*	Prudential Retirement	Mid Cap Growth / Timesquare Fund		121,845
*	Prudential Retirement	Mid Cap Growth / CRM Fund		84,053
*	Prudential Retirement	Small Cap Value / Integrity Fund		81,257
*	Prudential Retirement	Small Cap Blend / WHV Fund		15,270
*	Prudential Retirement	Small Cap Growth / Boston Co.		77,902
*	Prudential Retirement	SA/OFII Global Strategy		135,175
*	Prudential Retirement	International Blend / AQR		471,688
*	Prudential Retirement	Mid Cap Blend / BatteryMatc		14,541
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		40,850
*	Prudential Retirement	Guaranteed Income Fund		531,919
	Templeton	Developing Markets		12,666
*	Participant Loans	Range of Interest Rates		
		from 3.25% to 5.00%, maturities	-0-	6,908
		up to 5 years		

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010 (COMPILED)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
---	---

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5

SUPPLEMENTARY INFORMATION

Schedule H, line 4a - Schedule of Delinquent Participant Contributions	13
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	14

Anglin·Reichmann Snellgrove & Armstrong P.C.

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

We were engaged to audit the financial statements of Chandler May, Inc. 401(k) Plan as of December 31, 2011, and for the year ended December 31, 2011, and the supplementary information as of and for the year ended December 31, 2011 as listed in the accompanying table of contents. These financial statements and supplementary information are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, 5 and 6, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Custodian as of and for the year ended December 31, 2011, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

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

We have compiled the accompanying Statement of Net Assets Available for Benefits of Chandler May, Inc. 401(k) Plan as of December 31, 2010. We have not audited or reviewed the accompanying Statement of Net Assets Available for Benefits and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintain internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist plan management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 28, 2012

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010 (COMPILED)

<u>Assets</u>		
	2011	(Compiled) 2010
Participant-directed investments, at fair value:		
Guaranteed interest account	\$ 531,919	\$ 399,522
Pooled separate accounts	1,956,007	1,429,632
Shares of registered investment companies	60,475	45,069
Total Investments, at Fair Value	2,548,401	1,874,223
Receivables:		
Employer contributions	254,106	98,650
Notes receivable from participants	6,908	10,795
Total Receivables	261,014	109,445
Total Assets	2,809,415	1,983,668
<u>Liabilities</u>		
Total Liabilities	-	-
Net Assets Available for Benefits, at Fair Value	2,809,415	1,983,668
Adjustment from fair value to contract value for fully benefit responsive investment contract	-	-
Net Assets Available for Benefits	\$ 2,809,415	\$ 1,983,668

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

Addition to Net Assets Attributed to:

Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	\$ (98,431)
Dividends	945
Other income (loss)	(3)
Participant loan interest	337
Other interest	<u>6,773</u>
Total Investment Income (Loss)	(90,379)
Participant-directed contributions:	
Employer	254,106
Participant salary deferrals	692,668
Participant rollovers	<u>928</u>
Total Contributions	<u>947,702</u>
Total Additions to Net Assets	857,323

Deduction from Net Assets Attributed to:

Benefits paid to participants	30,077
Deemed distributions	942
Administrative fees	<u>557</u>
Total Deductions from Net Assets	<u>31,576</u>
Net Increase in Net Assets	825,747

Net Assets Available for Benefits:

Beginning of Year	<u>1,983,668</u>
End of Year	<u><u>\$ 2,809,415</u></u>

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

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one years of age.

Contributions

Participant Salary Deferrals - Participants may contribute up to 75% of their pre-tax annual compensation, as defined by the Plan, up to a maximum amount established by the Internal Revenue Service. Participants 50 years old or older during the plan year are eligible for catch-up contributions, up to a maximum amount established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Discretionary Employer Match - Each employer may, at the discretion of its Board of Directors, make a regular matching contribution to the Plan for each contribution period on behalf of each of its eligible employees. For the year ended December 31, 2011, each employer made matching contributions equal to 50% of the participant's elective deferrals. However, elective deferrals that exceeded 6% of the participant's compensation were not considered.

Discretionary Contribution - At the end of the plan year, each employer may, at the discretion of its Board of Directors, make a nonelective contribution to the Plan on behalf of each of its eligible employees. Nonelective contributions, if made, are allocated to eligible employees based upon the percentage of the employee's compensation to the total compensation of all eligible employees of the employer.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investments options offered by the Plan. As of December 31, 2011, the Plan offered a fully benefit responsive investment contract, pooled separate accounts and registered investment companies which invest in various combinations of stocks bonds and other investment securities.

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings, and charged with an allocation of administration expenses. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions. The Company's matching and discretionary contributions vest over a six (6) year graded period.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates and determined by the Plan Administrator at the time of issuance. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits

Participants with fund balances of \$1,000 or less will receive the vested interest in his or her account as a lump-sum distribution. On termination of service, a participant may elect (a) lump-sum amount equal to the vested value of his or her account, (b) annual installments over a period specified by the participant, or (c) a direct rollover.

Forfeited Accounts

Forfeited non-vested accounts are first assessed against plan expenses, and then are used to reduce employer contributions at year end. For year end December 31, 2011, \$6,190 was used to reduce plan expenses. At December 31, 2011 and 2010, there were forfeited non-vested accounts totaling \$9,829 and \$8,499, respectively.

Amendment and Termination

The Company has the right under the Plan to amend or terminate the Plan at any time subject to the provisions of ERISA. No amendment may permit any Plan assets to revert to the Company or be used for any purpose other than to provide benefits to participants and their beneficiaries.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 2 - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

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

Notes Receivable from Participants

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

Investment Valuation and Income Recognition

Plan investments are stated at fair value. Prudential Retirement Insurance and Annuity Company calculates the value of each participant account based on market value of the underlying investments. Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the market value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Fees

The employer absorbs significant costs of plan administration. Certain transfer and investment fees are absorbed by the Plan and are reflected in the accompanying financial statements.

Uncertain Tax Positions

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Date of Management's Review

Management has evaluated subsequent events through September 28, 2012, the date which the financial statements were available to be issued.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payment or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the Custodian.

The following table represents the fair value of investments as of December 31, 2011 and 2010, with investments representing five percent (5%) or more of the Plan's net assets being separately identified:

	<u>2011</u>
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919
	 <u>2010</u>
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 182,086
Prudential Retirement Large Cap Value / LSV Fund	275,599
Prudential Retirement Large Cap Grow / JP Morgan	266,679
Prudential Retirement SA/OFII Global Strategy	119,860
Prudential Retirement International Blend / AQR	219,620
Prudential Retirement Guaranteed Income Fund	399,522

During the year ended December 31, 2011, the Plan's investments (including investments bought, sold and held during the year) depreciated in value by \$98,431 as follows:

Net Appreciation (Depreciation) in Value

Pooled separate accounts	\$ (97,069)
Shares of registered investment companies	<u>(1,362)</u>
Total	<u><u>\$ (98,431)</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 5 - Investment Contract with Financial Institution (Unaudited)

The Plan has a fully benefit responsive investment contract with Prudential Retirement. Prudential maintains the contributions in a general account. The account is credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Prudential is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and therefore there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was \$531,919 and \$399,522, respectively. The crediting interest rate is based on an agreed-upon formula with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on a quarterly basis for resetting.

There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than Contract Value paid either within 90 days or over time.

Average Yields:

	<u>2011</u>	<u>2010</u>
Based on annualized earnings (1)	1.500%	1.750%
Based on interest rate credited to participants (2)	1.500%	1.750%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 6 - Fair Value Measurements (Unaudited)

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).

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Foundation's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 or level 3 assets measured at fair value. There have been no changes in the methodologies used at September 30, 2011 and 2010.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed interest account: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2011</u>				
Shares of registered investment companies:				
Fixed income	\$ 45,550	\$ -	\$ -	\$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total Shares of registered investment companies	<u>60,475</u>	<u>-</u>	<u>-</u>	<u>60,475</u>
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total Pooled separate accounts	<u>-</u>	<u>1,956,007</u>	<u>-</u>	<u>1,956,007</u>
Guaranteed interest account	<u>-</u>	<u>-</u>	<u>531,919</u>	<u>531,919</u>
Total investments at fair value	<u>\$ 60,475</u>	<u>\$ 1,956,007</u>	<u>\$ 531,919</u>	<u>\$ 2,548,401</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
<u>December 31, 2010</u>				
Shares of registered investment companies:				
Fixed income	\$ 34,221	\$ -	\$ -	\$ 34,221
International stock	9,293	-	-	9,293
Balanced	1,555	-	-	1,555
Total Shares of registered investment companies	45,069	-	-	45,069
Pooled separate accounts:				
Balanced	-	16,740	-	16,740
Fixed income	-	182,165	-	182,165
Global stock	-	119,860	-	119,860
International stock	-	219,620	-	219,620
Large cap stock	-	555,754	-	555,754
Mid cap stock	-	166,579	-	166,579
Small cap stock	-	135,918	-	135,918
Specialty	-	32,996	-	32,996
Total Pooled separate accounts	-	1,429,632	-	1,429,632
Guaranteed interest account	-	-	399,522	399,522
Total investments at fair value	\$ 45,069	\$ 1,429,632	\$ 399,522	\$ 1,874,223

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010:

	Guaranteed Interest Account
Balance at December 31, 2009	\$ 310,652
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	88,870
Balance at December 31, 2010	399,522
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	132,397
Balance at December 31, 2011	\$ 531,919

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 7 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA.

Note 8 - Income Tax Status

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan 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 Internal Revenue Code.

Note 9 - Reconciliation of Financial Statements to Schedule H of Form 5500

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

	2011	(Compiled) 2010
Net assets available for benefits per the financial statements	\$ 2,809,415	\$ 1,983,668
Current year employer contributions receivable	<u>(254,106)</u>	<u>(98,650)</u>
Net assets per Schedule H of the Form 5500	<u><u>\$ 2,555,309</u></u>	<u><u>\$ 1,885,018</u></u>

The following is a reconciliation of net increase in net assets per the financial statements for the year ended December 31, 2011 to net income per Schedule H of the Form 5500:

Net increase in net assets per the financial statements	\$ 825,747
Prior year employer contributions receivable	98,650
Current year employer contributions receivable	<u>(254,106)</u>
Net income per Schedule H of the Form 5500	<u><u>\$ 670,291</u></u>

Note 10 - Risks and Uncertainties

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

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

Form 5500, line 4a Schedule of Delinquent Participant Contributions				
Participant contributions transferred late to plan	Total that constitute nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
Check here if late participant loan repayments are included: ☐	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	
\$ 73,849	\$ -	\$ -	\$ 73,849	\$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(d) Cost **	Current Value
	American Funds	Capital Income Builder R3		\$ 2,259
	Goldman Sachs	Global Income Fund A		45,550
*	Prudential Retirement	Fixed Income-High Yield		4,129
*	Prudential Retirement	Core Plus Bond/PIMCO Fund		279,452
*	Prudential Retirement	Balanced Fund		20,764
*	Prudential Retirement	Large Cap Value / LSV Fund		295,209
*	Prudential Retirement	Large Cap Grow / JP Morgan		287,936
*	Prudential Retirement	Large Cap Blend / Victory		18,017
*	Prudential Retirement	Dryden S&P 500 Index Fund		7,919
*	Prudential Retirement	Mid Cap Growth / Timesquare Fund		121,845
*	Prudential Retirement	Mid Cap Growth / CRM Fund		84,053
*	Prudential Retirement	Small Cap Value / Integrity Fund		81,257
*	Prudential Retirement	Small Cap Blend / WHV Fund		15,270
*	Prudential Retirement	Small Cap Growth / Boston Co.		77,902
*	Prudential Retirement	SA/OFII Global Strategy		135,175
*	Prudential Retirement	International Blend / AQR		471,688
*	Prudential Retirement	Mid Cap Blend / BatteryMatc		14,541
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		40,850
*	Prudential Retirement	Guaranteed Income Fund		531,919
	Templeton	Developing Markets		12,666
*	Participant Loans	Range of Interest Rates		
		from 3.25% to 5.00%, maturities	-0-	6,908
		up to 5 years		

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010 (COMPILED)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
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FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5

SUPPLEMENTARY INFORMATION

Schedule H, line 4a - Schedule of Delinquent Participant Contributions	13
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	14

Anglin·Reichmann Snellgrove & Armstrong P.C.

Certified Public Accountants & Business Advisors

*MEMBER: American Institute of Certified Public Accountants • AICPA Private Companies Practice Section • Employee Benefit Plan and
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Gary S. Anglin, CPA	Melissa D. Jose, CPA
Jay A. Reichmann, CPA	Ryan J. Campbell, CPA
James C. Snellgrove, Jr., CPA	N. Scott Hand, CPA
Stephen E. Armstrong, CPA	Katherine J. Bradford, CPA
Tracy L. Sams, CPA, CVA	Brad A. Benson, CPA
Kandy E. Gardner, CPA	Jason L. Miller, CPA
Todd B. McAdams, CPA	Luke C. Kinzer, CPA, CFE
	Thomas G. Hallin, CPA
	Brandon C. Smith, CPA

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

We were engaged to audit the financial statements of Chandler May, Inc. 401(k) Plan as of December 31, 2011, and for the year ended December 31, 2011, and the supplementary information as of and for the year ended December 31, 2011 as listed in the accompanying table of contents. These financial statements and supplementary information are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, 5 and 6, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Custodian as of and for the year ended December 31, 2011, that the information provided to the Plan Administrator by the Custodian is complete and accurate.

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

We have compiled the accompanying Statement of Net Assets Available for Benefits of Chandler May, Inc. 401(k) Plan as of December 31, 2010. We have not audited or reviewed the accompanying Statement of Net Assets Available for Benefits and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintain internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist plan management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 28, 2012

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010 (COMPILED)

<u>Assets</u>		
	<u>2011</u>	<u>(Compiled) 2010</u>
Participant-directed investments, at fair value:		
Guaranteed interest account	\$ 531,919	\$ 399,522
Pooled separate accounts	1,956,007	1,429,632
Shares of registered investment companies	<u>60,475</u>	<u>45,069</u>
Total Investments, at Fair Value	<u>2,548,401</u>	<u>1,874,223</u>
Receivables:		
Employer contributions	254,106	98,650
Notes receivable from participants	<u>6,908</u>	<u>10,795</u>
Total Receivables	<u>261,014</u>	<u>109,445</u>
Total Assets	<u>2,809,415</u>	<u>1,983,668</u>
<u>Liabilities</u>		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits, at Fair Value	2,809,415	1,983,668
Adjustment from fair value to contract value for fully benefit responsive investment contract	<u>-</u>	<u>-</u>
Net Assets Available for Benefits	<u>\$ 2,809,415</u>	<u>\$ 1,983,668</u>

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

**CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Addition to Net Assets Attributed to:

Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	\$ (98,431)
Dividends	945
Other income (loss)	(3)
Participant loan interest	337
Other interest	<u>6,773</u>
Total Investment Income (Loss)	(90,379)
Participant-directed contributions:	
Employer	254,106
Participant salary deferrals	692,668
Participant rollovers	<u>928</u>
Total Contributions	<u>947,702</u>
Total Additions to Net Assets	857,323

Deduction from Net Assets Attributed to:

Benefits paid to participants	30,077
Deemed distributions	942
Administrative fees	<u>557</u>
Total Deductions from Net Assets	<u>31,576</u>
Net Increase in Net Assets	825,747

Net Assets Available for Benefits:

Beginning of Year	<u>1,983,668</u>
End of Year	<u><u>\$ 2,809,415</u></u>

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

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one years of age.

Contributions

Participant Salary Deferrals - Participants may contribute up to 75% of their pre-tax annual compensation, as defined by the Plan, up to a maximum amount established by the Internal Revenue Service. Participants 50 years old or older during the plan year are eligible for catch-up contributions, up to a maximum amount established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Discretionary Employer Match - Each employer may, at the discretion of its Board of Directors, make a regular matching contribution to the Plan for each contribution period on behalf of each of its eligible employees. For the year ended December 31, 2011, each employer made matching contributions equal to 50% of the participant's elective deferrals. However, elective deferrals that exceeded 6% of the participant's compensation were not considered.

Discretionary Contribution - At the end of the plan year, each employer may, at the discretion of its Board of Directors, make a nonelective contribution to the Plan on behalf of each of its eligible employees. Nonelective contributions, if made, are allocated to eligible employees based upon the percentage of the employee's compensation to the total compensation of all eligible employees of the employer.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investments options offered by the Plan. As of December 31, 2011, the Plan offered a fully benefit responsive investment contract, pooled separate accounts and registered investment companies which invest in various combinations of stocks bonds and other investment securities.

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)**

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings, and charged with an allocation of administration expenses. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions. The Company's matching and discretionary contributions vest over a six (6) year graded period.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates and determined by the Plan Administrator at the time of issuance. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits

Participants with fund balances of \$1,000 or less will receive the vested interest in his or her account as a lump-sum distribution. On termination of service, a participant may elect (a) lump-sum amount equal to the vested value of his or her account, (b) annual installments over a period specified by the participant, or (c) a direct rollover.

Forfeited Accounts

Forfeited non-vested accounts are first assessed against plan expenses, and then are used to reduce employer contributions at year end. For year end December 31, 2011, \$6,190 was used to reduce plan expenses. At December 31, 2011 and 2010, there were forfeited non-vested accounts totaling \$9,829 and \$8,499, respectively.

Amendment and Termination

The Company has the right under the Plan to amend or terminate the Plan at any time subject to the provisions of ERISA. No amendment may permit any Plan assets to revert to the Company or be used for any purpose other than to provide benefits to participants and their beneficiaries.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 2 - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

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

Notes Receivable from Participants

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

Investment Valuation and Income Recognition

Plan investments are stated at fair value. Prudential Retirement Insurance and Annuity Company calculates the value of each participant account based on market value of the underlying investments. Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the market value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Fees

The employer absorbs significant costs of plan administration. Certain transfer and investment fees are absorbed by the Plan and are reflected in the accompanying financial statements.

Uncertain Tax Positions

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Date of Management's Review

Management has evaluated subsequent events through September 28, 2012, the date which the financial statements were available to be issued.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payment or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the Custodian.

The following table represents the fair value of investments as of December 31, 2011 and 2010, with investments representing five percent (5%) or more of the Plan's net assets being separately identified:

	2011
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919
	2010
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 182,086
Prudential Retirement Large Cap Value / LSV Fund	275,599
Prudential Retirement Large Cap Grow / JP Morgan	266,679
Prudential Retirement SA/OFII Global Strategy	119,860
Prudential Retirement International Blend / AQR	219,620
Prudential Retirement Guaranteed Income Fund	399,522

During the year ended December 31, 2011, the Plan's investments (including investments bought, sold and held during the year) depreciated in value by \$98,431 as follows:

Net Appreciation (Depreciation) in Value

Pooled separate accounts	\$ (97,069)
Shares of registered investment companies	(1,362)
	<hr/>
Total	<u><u>\$ (98,431)</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 5 - Investment Contract with Financial Institution (Unaudited)

The Plan has a fully benefit responsive investment contract with Prudential Retirement. Prudential maintains the contributions in a general account. The account is credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Prudential is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and therefore there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was \$531,919 and \$399,522, respectively. The crediting interest rate is based on an agreed-upon formula with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on a quarterly basis for resetting.

There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than Contract Value paid either within 90 days or over time.

Average Yields:

	<u>2011</u>	<u>2010</u>
Based on annualized earnings (1)	1.500%	1.750%
Based on interest rate credited to participants (2)	1.500%	1.750%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 6 - Fair Value Measurements (Unaudited)

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).

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Foundation's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 or level 3 assets measured at fair value. There have been no changes in the methodologies used at September 30, 2011 and 2010.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed interest account: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2011</u>				
Shares of registered investment companies:				
Fixed income	\$ 45,550	\$ -	\$ -	\$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total Shares of registered investment companies	<u>60,475</u>	<u>-</u>	<u>-</u>	<u>60,475</u>
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total Pooled separate accounts	<u>-</u>	<u>1,956,007</u>	<u>-</u>	<u>1,956,007</u>
Guaranteed interest account	<u>-</u>	<u>-</u>	<u>531,919</u>	<u>531,919</u>
Total investments at fair value	<u>\$ 60,475</u>	<u>\$ 1,956,007</u>	<u>\$ 531,919</u>	<u>\$ 2,548,401</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 6 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
<u>December 31, 2010</u>				
Shares of registered investment companies:				
Fixed income	\$ 34,221	\$ -	\$ -	\$ 34,221
International stock	9,293	-	-	9,293
Balanced	1,555	-	-	1,555
Total Shares of registered investment companies	45,069	-	-	45,069
Pooled separate accounts:				
Balanced	-	16,740	-	16,740
Fixed income	-	182,165	-	182,165
Global stock	-	119,860	-	119,860
International stock	-	219,620	-	219,620
Large cap stock	-	555,754	-	555,754
Mid cap stock	-	166,579	-	166,579
Small cap stock	-	135,918	-	135,918
Specialty	-	32,996	-	32,996
Total Pooled separate accounts	-	1,429,632	-	1,429,632
Guaranteed interest account	-	-	399,522	399,522
Total investments at fair value	\$ 45,069	\$ 1,429,632	\$ 399,522	\$ 1,874,223

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2011 and 2010:

	Guaranteed Interest Account
Balance at December 31, 2009	\$ 310,652
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	88,870
Balance at December 31, 2010	399,522
Total realized and unrealized gains (losses) included in earnings	-
Purchases, sales, issuances and settlements (net)	132,397
Balance at December 31, 2011	\$ 531,919

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (COMPILED)

Note 7 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA.

Note 8 - Income Tax Status

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan 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 Internal Revenue Code.

Note 9 - Reconciliation of Financial Statements to Schedule H of Form 5500

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

	2011	(Compiled) 2010
Net assets available for benefits per the financial statements	\$ 2,809,415	\$ 1,983,668
Current year employer contributions receivable	<u>(254,106)</u>	<u>(98,650)</u>
Net assets per Schedule H of the Form 5500	<u><u>\$ 2,555,309</u></u>	<u><u>\$ 1,885,018</u></u>

The following is a reconciliation of net increase in net assets per the financial statements for the year ended December 31, 2011 to net income per Schedule H of the Form 5500:

Net increase in net assets per the financial statements	\$ 825,747
Prior year employer contributions receivable	98,650
Current year employer contributions receivable	<u>(254,106)</u>
Net income per Schedule H of the Form 5500	<u><u>\$ 670,291</u></u>

Note 10 - Risks and Uncertainties

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

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

Form 5500, line 4a Schedule of Delinquent Participant Contributions				
Participant contributions transferred late to plan	Total that constitute nonexempt prohibited transactions			Total fully corrected under VFCP and PTE 2002-51
Check here if late participant loan repayments are included: ☐	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	
\$ 73,849	\$ -	\$ -	\$ 73,849	\$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value	(d) Cost **	Current Value
	American Funds	Capital Income Builder R3		\$ 2,259
	Goldman Sachs	Global Income Fund A		45,550
*	Prudential Retirement	Fixed Income-High Yield		4,129
*	Prudential Retirement	Core Plus Bond/PIMCO Fund		279,452
*	Prudential Retirement	Balanced Fund		20,764
*	Prudential Retirement	Large Cap Value / LSV Fund		295,209
*	Prudential Retirement	Large Cap Grow / JP Morgan		287,936
*	Prudential Retirement	Large Cap Blend / Victory		18,017
*	Prudential Retirement	Dryden S&P 500 Index Fund		7,919
*	Prudential Retirement	Mid Cap Growth / Timesquare Fund		121,845
*	Prudential Retirement	Mid Cap Growth / CRM Fund		84,053
*	Prudential Retirement	Small Cap Value / Integrity Fund		81,257
*	Prudential Retirement	Small Cap Blend / WHV Fund		15,270
*	Prudential Retirement	Small Cap Growth / Boston Co.		77,902
*	Prudential Retirement	SA/OFII Global Strategy		135,175
*	Prudential Retirement	International Blend / AQR		471,688
*	Prudential Retirement	Mid Cap Blend / BatteryMatc		14,541
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		40,850
*	Prudential Retirement	Guaranteed Income Fund		531,919
	Templeton	Developing Markets		12,666
*	Participant Loans	Range of Interest Rates		
		from 3.25% to 5.00%, maturities	-0-	6,908
		up to 5 years		

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed