

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

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

Part II	Basic Plan Information —enter all requested information						
1a Name of plan LONESOURCE, INC. 401(K) PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/2009</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>01/01/2009</u>		
1b Three-digit plan number (PN) ►	<u>001</u>						
1c Effective date of plan	<u>01/01/2009</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) LONESOURCE, INC. 114 MACKENAN DR, STE 300 CARY, NC 27511	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>56-2195400</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>919-459-8209</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>454110</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>56-2195400</u>	2c Sponsor's telephone number	<u>919-459-8209</u>	2d Business code (see instructions)	<u>454110</u>
2b Employer Identification Number (EIN)	<u>56-2195400</u>						
2c Sponsor's telephone number	<u>919-459-8209</u>						
2d Business code (see instructions)	<u>454110</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.	<u>10/04/2012</u>	<u>JEFFREY HOVEY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") LONESOURCE, INC. 114 MACKENAN DR, STE 300 CARY, NC 27511	3b Administrator's EIN 56-2195400 3c Administrator's telephone number 919-459-8209
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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	195
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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	176
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	17
d Subtotal. Add lines 6a , 6b , and 6c	6d	193
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	193
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	89
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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 2G 2J 2K 2T 3D 3F 3H

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

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

A Name of plan LONESOURCE, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 LONESOURCE, INC.	D Employer Identification Number (EIN) 56-2195400

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
FID.INV.INST.OPS.CO.

04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	775	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

(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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ALLNZ NFJ SMCPVAL AD - BOSTON FINAN</p> <p>04-2526037</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.35%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>COL VALUE & RSTRG Z - COLUMBIA MGT</p> <p>04-2838628</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>JANUS FORTY S - JANUS SERVICES LLC</p> <p>43-1804048</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.50%</p>		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
PIMCO TOT RETURN ADM - BOSTON FINAN 04-2526037	0.26%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>LONESOURCE, 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>LONESOURCE, INC.</u>	D Employer Identification Number (EIN) <u>56-2195400</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	<u>70787</u>	<u>152834</u>
(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)	<u>4123</u>	<u>16878</u>
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	<u>1221200</u>	<u>1442747</u>
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1296110	1612459

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		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1296110	1612459
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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)	145456	
(B) Participants	2a(1)(B)	356688	
(C) Others (including rollovers)	2a(1)(C)	2582	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		504726
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	11	
(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)	500	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		511
(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)	42417	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		42417
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-86800
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		460854

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	143658	
(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)		143658
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)	847	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		847
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		144505

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		316349
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: HUGHES, PITTMAN AND GUPTON

(2) EIN: 56-1415202

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.).....	☒	☐	264117
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	250000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☒	

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

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

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

5b(1) Name of plan(s)

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

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

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

A Name of plan <u>LONESOURCE, 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>LONESOURCE, INC.</u>	D Employer Identification Number (EIN) <u>56-2195400</u>

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

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LONESOURCE, INC. 401(K) PLAN

Financial Statements

December 31, 2011 and 2010

LONESOURCE, INC. 401(K) PLAN

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December 31, 2011 and 2010

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**Hughes Pittman & Gupton, LLP**

1500 Sunday Drive, Suite 300

Raleigh, North Carolina 27607

919.232.5900 919.232.5901 fax

www.hpg.com**Independent Auditors' Report**

The Executive Committee
Lonesource, Inc. 401(k) Plan
Cary, North Carolina

We were engaged to audit the accompanying statements of net assets available for benefits of the Lonesource, Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the schedules as of December 31, 2011 as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2011 and 2010 that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, 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.

Hughes Pittman & Gupton, LLP

October 1, 2012

LONESOURCE, INC. 401(K) PLAN

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Assets		
Investments at fair value	\$ 1,595,581	1,291,987
Receivables:		
Participants' contributions	9,217	9,844
Employer's contributions	4,497	4,492
Notes receivable from participants	16,878	4,123
Total receivables	30,592	18,459
Total assets	1,626,173	1,310,446
Liabilities		
Accounts payable, return of excess contributions	23,304	8,041
Net assets available for benefits	\$ 1,602,869	1,302,405

See accompanying notes to financial statements

LONESOURCE, INC. 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2011

Additions

Additions to net assets attributed to:

Investment activity:

Net depreciation in fair value of investments	\$ (86,800)
Interest and dividends	42,428

Interest income on notes receivable from participants	500
---	-----

Contributions:

Participants'	340,798
Employer's	145,461
Participants' rollovers	<u>2,582</u>

Total contributions	<u>488,841</u>
---------------------	----------------

Total additions	<u>444,969</u>
-----------------	----------------

Deductions

Deductions from net assets attributed to:

Benefits paid to participants	143,658
Administrative expenses	<u>847</u>

Total deductions	<u>144,505</u>
------------------	----------------

Net increase	300,464
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Net assets available for benefits as of beginning of year	<u>1,302,405</u>
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Net assets available for benefits as of end of year	<u><u>\$ 1,602,869</u></u>
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LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN

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

General

The Plan is a defined contribution savings plan which was established effective January 1, 2009. The Plan covers all eligible employees of Lonesource, Inc. (the “Company”). To be eligible to participate in the Plan, an employee must be 18 years of age and complete three months of service.

The Plan Sponsor is Lonesource, Inc. The plan trustee is Fidelity Management Trust Company (the “Trustee”). The Company has engaged a third-party administration company, Fidelity Investments Institutional Operations Company, Inc., to assist in the administration of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

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 the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Contributions

Employees who have satisfied the service and eligibility requirements for participation in the Plan may elect to contribute 1% to 90% of their compensation as defined in the Plan on a pre-tax basis up to an amount which will not exceed the maximum contributions allowed by the Internal Revenue Code (“IRC”). Participants may upon proper notice and approval, enter into a special salary reduction agreement to elect to contribute up to 100% of any cash bonuses. Participants may also elect to contribute 1% to 90% (in multiples of 1%) of their eligible compensation to the Plan on an after-tax basis. Rollover contributions from other qualified plans are allowed.

Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (continued)

The Company may make discretionary employer matching contributions to the Plan as authorized by the Company. The Company contributed 100% of the first 3% of eligible compensation that a participant contributed to the Plan beginning July 1, 2010 and continued the same percentage match through December 31, 2011. There were no matching contributions from January 1, 2010 through June 30, 2010.

In addition, the Company may make a discretionary non-elective contribution to the Plan. No discretionary contributions were made to the Plan in 2011 or 2010.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, if any, and, (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings 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 contributions as well as employer matching contributions and discretionary non-elective employer contributions plus actual earnings thereon.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from one to five years, unless for the purchase of a primary residence in which the repayment period is not to exceed ten years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates at the time of the loan. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

A participant is entitled to distributions under the Plan the later date of (a) when such participant attains their 65th birthday (the normal retirement date); or (b) in the event of the death or disability of the participant before retirement or other termination of employment; or (c) in the event that a participant's employment is terminated for any reason other than those stated in (a) and (b) above.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (concluded)

Participants who have attained the age of 59½ are allowed to receive a distribution of all or any portion of their vested account balance.

Participants entitled to distributions may elect to receive either a lump sum amount equal to the value of the participant's vested interests in his or her account or payment of a specific dollar amount on an installment basis over a period of time not to exceed the life expectancy of the recipient.

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses, except for certain loan and trustee expenses, of the Plan are paid by the Company.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The plan administrator has evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued.

Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants

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

Risks and Uncertainties

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

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

All investment information disclosed in the accompanying financial statements and schedules, including investments held as of December 31, 2011 and 2010, and net depreciation in fair value of investments, interest, and dividends for 2011 were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the Trustee.

	<u>2011</u>	<u>2010</u>
Investments:		
Mutual funds	\$ 1,442,747	1,221,200
Money market fund	152,834	70,787
Total investments at fair value	<u>\$ 1,595,581</u>	<u>1,291,987</u>
Notes receivable from participants	<u>\$ 16,878</u>	<u>4,123</u>
Total investment loss	<u>\$ (44,372)</u>	
Interest income on notes receivable from participants	<u>\$ 500</u>	

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (concluded)

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information included in the financial statements and schedules.

NOTE 4: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820's framework are described as follows:

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

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

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

Money market fund and mutual funds - Valued at the net asset value ("NAV") of shares held by the Plan as of year-end, which is the quoted market price.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (concluded)

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

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:

2011				
Investments at Fair Value				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 259,569	-	-	259,569
Mid cap fund	30,696	-	-	30,696
Small cap fund	92,559	-	-	92,559
International funds	65,517	-	-	65,517
Specialty blended fund	65,658	-	-	65,658
Other blended fund	108,083	-	-	108,083
Target date funds	680,246	-	-	680,246
Bond funds	140,419	-	-	140,419
Money market fund	152,834	-	-	152,834
Total investments at fair value	\$ 1,595,581	-	-	1,595,581

2010				
Investments at Fair Value				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 287,116	-	-	287,116
Mid cap funds	43,847	-	-	43,847
Small cap funds	95,293	-	-	95,293
International funds	110,575	-	-	110,575
Specialty blended fund	39,891	-	-	39,891
Other blended funds	543,862	-	-	543,862
Bond funds	100,616	-	-	100,616
Money market fund	70,787	-	-	70,787
Total investments at fair value	\$ 1,291,987	-	-	1,291,987

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5: INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
Mutual funds:		
Fidelity Balanced Fund, 5,942 and 4,425 shares	\$ 108,083	80,668
Fidelity Freedom 2020 Fund, 10,882 shares for 2011	142,768	*
Fidelity Freedom 2030 Fund, 22,092 and 18,155 shares	283,665	250,001
Fidelity Stock Selector Large Cap Value Fund, 7,808 shares for 2010	*	82,138
Fidelity Freedom 2040 Fund, 13,272 and 9,794 shares	97,679	78,453
Allianz NFJ Small Cap Value Fund Administrative Class, 3,333 and 3,345 shares	92,559	95,293
Fidelity Freedom 2025 Fund, 9,968 shares for 2011	107,755	*
Money market fund:		
Fidelity Retirement Money Market Fund, 152,834 and 70,787 shares	152,834	70,787

* Amounts not greater than 5% of the Plan's net assets.

During 2011, the Plan's investments in mutual funds (including both investments bought and sold as well as held during the year) depreciated in value by \$86,800.

NOTE 6: RELATED PARTY TRANSACTIONS

The Plan invests in certain funds managed by the Trustee. Transactions related to these funds qualify as party-in-interest transactions that are allowable under ERISA.

The Plan does not consider any company contributions to the Plan to be party-in-interest transactions. The Company provides certain accounting, administrative, and investment management services to the Plan for which no fees are charged.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 7: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	2011	2010
Net assets available for benefits per the financial statements	\$ 1,602,869	1,302,405
Participant contribution receivable	(9,217)	(9,844)
Employer contribution receivable	(4,497)	(4,492)
Accounts payable, return of excess contributions	23,304	8,041
Net assets available for benefits per the Form 5500	<u>\$ 1,612,459</u>	<u>1,296,110</u>

The following is a reconciliation of net increase in net assets available for benefits made to the Plan per the financial statements for the year ended December 31, 2011 to the Form 5500:

Net increase in net assets available for benefits per the financial statements	\$ 300,464
Add prior year contributions receivable	14,336
Less current year contributions receivable	(13,714)
Add change in accounts payable, return of excess contributions	<u>15,263</u>
Net increase in net assets available for benefits per the Form 5500	<u>\$ 316,349</u>

The difference between the net assets available for benefits and the net increase in net assets available for benefits per the Plan's financial statements and the net assets available for benefits and the net increase in net assets available for benefits per the Form 5500 is because the financial statements were prepared on the accrual basis of accounting and the Form 5500 was prepared on the cash basis of accounting.

NOTE 8: INCOME TAX STATUS

The Plan obtained its latest opinion letter on March 31, 2008, in which the Internal Revenue Service (the "IRS") stated that the Fidelity Prototype Standardized Profit Sharing Plan with cash or deferred arrangement ("CODA"), as then designed, is qualified under Section 401(a) of the IRC. Therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving the opinion letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 8: INCOME TAX STATUS (concluded)

U.S. GAAP requires 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 Federal and state tax authorities. 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.

NOTE 9: DELINQUENT PARTICIPANT CONTRIBUTIONS

Title 1 of ERISA requires that all employee contributions be submitted to the Plan as soon as administratively possible, but no later than the 15th business day of the month following the month of being withheld from compensation. Failure to remit employee contributions into the Plan on a timely basis is considered a non-exempt transaction with a party-in-interest. In 2011 and 2010, participant contributions totaling \$90,508 and \$173,609 were not remitted timely.

These financial statements do not include any adjustments for any potential earnings due to participants, fines, penalties, or interest related to the non-exempt transactions.

LONESOURCE, INC. 401(K) PLAN

EIN: 56-2195400

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
* Fidelity Management Trust Company - Mutual funds:				
		Fidelity Capital & Income Fund	**	\$ 24,247
		Fidelity Independence Fund	**	37,171
		Fidelity Leveraged Company Stock Fund	**	30,696
		Fidelity Balanced Fund	**	108,083
		Fidelity International Discovery Fund	**	38,359
		Fidelity Emerging Markets Fund	**	19,175
		Fidelity Four-in-One Index Fund	**	34,136
		Fidelity Strategic Income Fund	**	12,375
		Fidelity Freedom Income Fund	**	896
		Fidelity Freedom 2000 Fund	**	21
		Fidelity Freedom 2020 Fund	**	142,768
		Fidelity Freedom 2030 Fund	**	283,665
		Spartan Total Market Index Fund	**	12,503
		Spartan International Index Fund	**	7,983
		Spartan 500 Index	**	23,500
		Fidelity US Bond Index	**	33,525
		Fidelity Stock Selector Large Cap Value Fund	**	69,162
		Fidelity Freedom 2040 Fund	**	97,679
		Fidelity Value Discovery Fund	**	38
		Fidelity Freedom 2005 Fund	**	6,101
		Fidelity Freedom 2025 Fund	**	107,755
		Fidelity Freedom 2035 Fund	**	29,649
		Janus Forty Fund Class S	**	52,336
		PIMCO Total Return Fund Administrative Class	**	70,272
		Columbia Value & Restructuring Fund Class Z	**	30,723
		Allianz NFJ Small Cap Value Fund		
		Administrative Class	**	92,559
		Fidelity Asset Manager 50%	**	65,658

LONESOURCE, INC. 401(K) PLAN

EIN: 56-2195400

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Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Fidelity Freedom 2045 Fund	**	6,953
		Fidelity Freedom 2050 Fund	**	4,717
		Fidelity Freedom 2010 Fund	**	21
		Fidelity Freedom 2015 Fund	**	21
	* Fidelity Management Trust Company:			
		Fidelity Retirement Money Market Fund	**	152,834
	* Participant Loans	Loans with interest rates at 4.25%	**	<u>16,878</u>
		Total investments		<u><u>\$ 1,612,459</u></u>

* Denotes party-in-interest

** Cost omitted for participant directed investments

Note: Information in this schedule as reported by Fidelity Management Trust Company

LONESOURCE, INC. 401(k) PLAN

EIN: 56-2195400

Plan Number: 001

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

December 31, 2011

Participant Contributions Transferred Late to Plan			Total that Constitutes Nonexempt Prohibited Transactions			
Check here if Late Participant Loan Repayments are included: ☐			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
\$	165,300	*	165,300	-	-	-
	8,309	**	8,309	-	-	-
	90,508	**	90,508	-	-	-
\$	264,117		264,117	-	-	-

* Amount was remitted during 2010. Lost earnings on late contributions shown above have not been remitted to the Plan as of December 31, 2011.

** Amount was remitted during 2011. Lost earnings on late contributions shown above have not been remitted to the Plan as of December 31, 2011.

LONESOURCE, INC. 401(K) PLAN

Financial Statements

December 31, 2011 and 2010

LONESOURCE, INC. 401(K) PLAN

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**Hughes Pittman & Gupton, LLP**

1500 Sunday Drive, Suite 300

Raleigh, North Carolina 27607

919.232.5900 919.232.5901 fax

www.hpg.com**Independent Auditors' Report**

The Executive Committee
Lonesource, Inc. 401(k) Plan
Cary, North Carolina

We were engaged to audit the accompanying statements of net assets available for benefits of the Lonesource, Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the schedules as of December 31, 2011 as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2011 and 2010 that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, 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.

Hughes Pittman & Gupton, LLP

October 1, 2012

LONESOURCE, INC. 401(K) PLAN

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Assets		
Investments at fair value	\$ 1,595,581	1,291,987
Receivables:		
Participants' contributions	9,217	9,844
Employer's contributions	4,497	4,492
Notes receivable from participants	16,878	4,123
Total receivables	30,592	18,459
Total assets	1,626,173	1,310,446
Liabilities		
Accounts payable, return of excess contributions	23,304	8,041
Net assets available for benefits	\$ 1,602,869	1,302,405

See accompanying notes to financial statements

LONESOURCE, INC. 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2011

Additions

Additions to net assets attributed to:

Investment activity:

Net depreciation in fair value of investments	\$ (86,800)
Interest and dividends	42,428

Interest income on notes receivable from participants	500
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Contributions:

Participants'	340,798
Employer's	145,461
Participants' rollovers	<u>2,582</u>

Total contributions	<u>488,841</u>
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Total additions	<u>444,969</u>
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Deductions

Deductions from net assets attributed to:

Benefits paid to participants	143,658
Administrative expenses	<u>847</u>

Total deductions	<u>144,505</u>
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Net increase	300,464
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Net assets available for benefits as of beginning of year	<u>1,302,405</u>
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Net assets available for benefits as of end of year	<u><u>\$ 1,602,869</u></u>
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LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN

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

General

The Plan is a defined contribution savings plan which was established effective January 1, 2009. The Plan covers all eligible employees of Lonesource, Inc. (the “Company”). To be eligible to participate in the Plan, an employee must be 18 years of age and complete three months of service.

The Plan Sponsor is Lonesource, Inc. The plan trustee is Fidelity Management Trust Company (the “Trustee”). The Company has engaged a third-party administration company, Fidelity Investments Institutional Operations Company, Inc., to assist in the administration of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

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 the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Contributions

Employees who have satisfied the service and eligibility requirements for participation in the Plan may elect to contribute 1% to 90% of their compensation as defined in the Plan on a pre-tax basis up to an amount which will not exceed the maximum contributions allowed by the Internal Revenue Code (“IRC”). Participants may upon proper notice and approval, enter into a special salary reduction agreement to elect to contribute up to 100% of any cash bonuses. Participants may also elect to contribute 1% to 90% (in multiples of 1%) of their eligible compensation to the Plan on an after-tax basis. Rollover contributions from other qualified plans are allowed.

Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (continued)

The Company may make discretionary employer matching contributions to the Plan as authorized by the Company. The Company contributed 100% of the first 3% of eligible compensation that a participant contributed to the Plan beginning July 1, 2010 and continued the same percentage match through December 31, 2011. There were no matching contributions from January 1, 2010 through June 30, 2010.

In addition, the Company may make a discretionary non-elective contribution to the Plan. No discretionary contributions were made to the Plan in 2011 or 2010.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, if any, and, (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings 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 contributions as well as employer matching contributions and discretionary non-elective employer contributions plus actual earnings thereon.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from one to five years, unless for the purchase of a primary residence in which the repayment period is not to exceed ten years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates at the time of the loan. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

A participant is entitled to distributions under the Plan the later date of (a) when such participant attains their 65th birthday (the normal retirement date); or (b) in the event of the death or disability of the participant before retirement or other termination of employment; or (c) in the event that a participant's employment is terminated for any reason other than those stated in (a) and (b) above.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (concluded)

Participants who have attained the age of 59½ are allowed to receive a distribution of all or any portion of their vested account balance.

Participants entitled to distributions may elect to receive either a lump sum amount equal to the value of the participant's vested interests in his or her account or payment of a specific dollar amount on an installment basis over a period of time not to exceed the life expectancy of the recipient.

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses, except for certain loan and trustee expenses, of the Plan are paid by the Company.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The plan administrator has evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued.

Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants

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

Risks and Uncertainties

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

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

All investment information disclosed in the accompanying financial statements and schedules, including investments held as of December 31, 2011 and 2010, and net depreciation in fair value of investments, interest, and dividends for 2011 were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the Trustee.

	2011	2010
Investments:		
Mutual funds	\$ 1,442,747	1,221,200
Money market fund	152,834	70,787
Total investments at fair value	<u>\$ 1,595,581</u>	<u>1,291,987</u>
Notes receivable from participants	<u>\$ 16,878</u>	<u>4,123</u>
Total investment loss	<u>\$ (44,372)</u>	
Interest income on notes receivable from participants	<u>\$ 500</u>	

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (concluded)

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information included in the financial statements and schedules.

NOTE 4: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820's framework are described as follows:

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

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

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

Money market fund and mutual funds - Valued at the net asset value ("NAV") of shares held by the Plan as of year-end, which is the quoted market price.

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (concluded)

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

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:

2011				
Investments at Fair Value				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 259,569	-	-	259,569
Mid cap fund	30,696	-	-	30,696
Small cap fund	92,559	-	-	92,559
International funds	65,517	-	-	65,517
Specialty blended fund	65,658	-	-	65,658
Other blended fund	108,083	-	-	108,083
Target date funds	680,246	-	-	680,246
Bond funds	140,419	-	-	140,419
Money market fund	152,834	-	-	152,834
Total investments at fair value	\$ 1,595,581	-	-	1,595,581

2010				
Investments at Fair Value				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 287,116	-	-	287,116
Mid cap funds	43,847	-	-	43,847
Small cap funds	95,293	-	-	95,293
International funds	110,575	-	-	110,575
Specialty blended fund	39,891	-	-	39,891
Other blended funds	543,862	-	-	543,862
Bond funds	100,616	-	-	100,616
Money market fund	70,787	-	-	70,787
Total investments at fair value	\$ 1,291,987	-	-	1,291,987

LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5: INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
Mutual funds:		
Fidelity Balanced Fund, 5,942 and 4,425 shares	\$ 108,083	80,668
Fidelity Freedom 2020 Fund, 10,882 shares for 2011	142,768	*
Fidelity Freedom 2030 Fund, 22,092 and 18,155 shares	283,665	250,001
Fidelity Stock Selector Large Cap Value Fund, 7,808 shares for 2010	*	82,138
Fidelity Freedom 2040 Fund, 13,272 and 9,794 shares	97,679	78,453
Allianz NFJ Small Cap Value Fund Administrative Class, 3,333 and 3,345 shares	92,559	95,293
Fidelity Freedom 2025 Fund, 9,968 shares for 2011	107,755	*
Money market fund:		
Fidelity Retirement Money Market Fund, 152,834 and 70,787 shares	152,834	70,787

* Amounts not greater than 5% of the Plan's net assets.

During 2011, the Plan's investments in mutual funds (including both investments bought and sold as well as held during the year) depreciated in value by \$86,800.

NOTE 6: RELATED PARTY TRANSACTIONS

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LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

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LONESOURCE, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

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These financial statements do not include any adjustments for any potential earnings due to participants, fines, penalties, or interest related to the non-exempt transactions.

LONESOURCE, INC. 401(K) PLAN

EIN: 56-2195400

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

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		Fidelity Freedom 2000 Fund	**	21
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		Fidelity Freedom 2040 Fund	**	97,679
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		Fidelity Freedom 2005 Fund	**	6,101
		Fidelity Freedom 2025 Fund	**	107,755
		Fidelity Freedom 2035 Fund	**	29,649
		Janus Forty Fund Class S	**	52,336
		PIMCO Total Return Fund Administrative Class	**	70,272
		Columbia Value & Restructuring Fund Class Z	**	30,723
		Allianz NFJ Small Cap Value Fund		
		Administrative Class	**	92,559
		Fidelity Asset Manager 50%	**	65,658

LONESOURCE, INC. 401(K) PLAN

EIN: 56-2195400

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Fidelity Freedom 2045 Fund	**	6,953
		Fidelity Freedom 2050 Fund	**	4,717
		Fidelity Freedom 2010 Fund	**	21
		Fidelity Freedom 2015 Fund	**	21
	* Fidelity Management Trust Company:			
		Fidelity Retirement Money Market Fund	**	152,834
	* Participant Loans	Loans with interest rates at 4.25%	**	<u>16,878</u>
		Total investments		<u><u>\$ 1,612,459</u></u>

* Denotes party-in-interest

** Cost omitted for participant directed investments

Note: Information in this schedule as reported by Fidelity Management Trust Company

LONESOURCE, INC. 401(k) PLAN

EIN: 56-2195400

Plan Number: 001

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

December 31, 2011

Participant Contributions Transferred Late to Plan			Total that Constitutes Nonexempt Prohibited Transactions			
Check here if Late Participant Loan Repayments are included: ☐			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
\$	165,300	*	165,300	-	-	-
	8,309	**	8,309	-	-	-
	90,508	**	90,508	-	-	-
\$	264,117		264,117	-	-	-

* Amount was remitted during 2010. Lost earnings on late contributions shown above have not been remitted to the Plan as of December 31, 2011.

** Amount was remitted during 2011. Lost earnings on late contributions shown above have not been remitted to the Plan as of December 31, 2011.