Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1980

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

KAISERAIR, INC.

PO BOX 2626
OAKLAND, CA 94614

2b Employer Identification Number (EIN)
94-2452675

2c Sponsor's telephone number
510-569-9622

2d Business code (see instructions)
481000

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.	10/05/2012	JAMES M. BOLAR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2012	JAMES M BOLAR
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

PO BOX 2626
OAKLAND, CA 94614

3b Administrator's EIN
94-2452675

3c Administrator's telephone number
510-569-9622

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	177
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**	118
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	43
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	161
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	161
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	161
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

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
KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KAISERAIR, INC.

D Employer Identification Number (EIN)
94-2452675

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.

1 Coverage Information:

(a) Name of insurance carrier
HARTFORD LIFE INSURANCE COMPANY

(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
06-0974148	88072	GA-002333	161	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
48804	0

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

LPL FINANCIAL LLC
9785 TOWNE CENTRE DR
SAN DIEGO, CA 92121

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
48804			3

(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	10492035
5	Current value of plan's interest under this contract in separate accounts at year end	5	9058767

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.	6d	

Specify nature of costs ▶

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 ▶ GROUP ANNUITY CONTRACT

b	Balance at the end of the previous year			7b	8922943
c	Additions: (1) Contributions deposited during the year	7c(1)	353102		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	376717		
	(4) Transferred from separate account	7c(4)	986080		
	(5) Other (specify below) ▶	7c(5)	0		
	(6) Total additions			7c(6)	1715899
d	Total of balance and additions (add **b** and **c(6)**)			7d	10638842
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	129979		
	(2) Administration charge made by carrier	7e(2)	0		
	(3) Transferred to separate account	7e(3)	16719		
	(4) Other (specify below) ▶ FORFEITURE	7e(4)	109		
	(5) Total deductions			7e(5)	146807
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	10492035

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

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

A Name of plan KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 KAISERAIR, INC.	**D** Employer Identification Number (EIN) 94-2452675

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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)

HARTFORD LIFE INSURANCE COMPANY

06-0974148

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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?
67 99			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
HARTFORD LIFE INSURANCE COMPANY	15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66 67 99	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.
SEE ATTACHED 06-0974148	SEE ATTACHED

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

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

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
KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KAISERAIR, INC.

D Employer Identification Number (EIN)
94-2452675

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: HARTFORD ADVANTAGE TK2

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

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)
06-0974148-000	P	3249334

a Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT K2

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

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)
06-0974148-000	P	5809433

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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)

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 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 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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KAISERAIR, INC.

D Employer Identification Number (EIN)
94-2452675

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(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)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	0	0
(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)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(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)	9918686	9058767
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	8922943	10492035
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	18841629	19550802
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	18841629	19550802

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)	687714	
	(B) Participants	2a(1)(B)	571013	
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1258727
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(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)	0	
	(F) Other	2b(1)(F)	376717	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		376717
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-581356
(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)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		1054088
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	344915	
(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)		344915
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
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)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		344915
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		709173
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: RINA ACCOUNTANCY CORPORATION (2) EIN: 94-3158857

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

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

Part IV Compliance Questions

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

During the plan year:

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

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? 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
KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KAISERAIR, INC.

D Employer Identification Number (EIN)
94-2452675

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**

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): 06-0974148

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** 0

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

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

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

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

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

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a** 0

b Enter the amount contributed by the employer to the plan for this plan year **6b** 0

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** 0

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):

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND DECEMBER 31, 2010

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

TABLE OF CONTENTS
DECEMBER 31, 2011 AND 2010

Independent auditors' report	2
Statement of net assets available for benefits – modified cash basis	3
Statement of changes in net assets available for benefits – modified cash basis	4
Notes to financial statements	5 - 12
Supplemental information:	
Schedule 1 - Schedule of assets held for investment	14

RINA *accountancy corporation*
475 - 14th Street , Suite 1200, Oakland, CA 94612
phone: 510.893.6908 *fax:* 510.834.1522 1.800.RINA.CPA *web:* www.rina.com

RINA

Independent Auditors' Report

Plan Administrator
KaiserAir, Inc. Savings and Profit Sharing Plan

We were engaged to audit the statement of net assets available for benefits (modified cash basis) of KaiserAir, Inc. Savings and Profit Sharing Plan as of December 31, 2011 and December 31, 2010, the related statement of changes in net assets available for benefits (modified cash basis) for the years ended December 31, 2011 and December 31, 2010, and supplemental schedule as of December 31, 2011.

As permitted by 29 CFR 2520.103-8 of the Department of Labor 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 6 which was certified by Hartford Life Insurance Company, the Plan trustee, in accordance with DOL Regulation 2520.103-5, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and December 31, 2010 that the information provided to the Plan administrator by the trustee is complete and accurate.

As described in Note 2, these financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States 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 Security Act of 1974.

RINA accountancy corporation

Certified Public Accountants

Oakland, California
September 20, 2012

KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

	December 31, 2011	December 31, 2010
ASSETS:		
Investments, at fair value	$ 9,058,768	$ 9,918,686
Guaranteed investment contract, at fair value	11,554,047	9,596,017
TOTAL ASSETS	20,612,815	19,514,703
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	20,612,815	19,514,703
Adjustment from fair value to contract value for fully benefit-responsive instrument contracts	(1,062,012)	(673,074)
NET ASSETS AVAILABLE FOR BENEFITS	$ 19,550,803	$ 18,841,629

See notes to financial statements.

KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

	December 31, 2011	December 31, 2010
ADDITIONS:		
Investment income	$ 376,718	$ 360,822
Contributions:		
Employer	687,714	421,963
Participants	571,013	588,987
Rollover	-	254,092
Net appreciation (depreciation) in fair value of investments	(568,706)	1,512,533
TOTAL ADDITIONS	1,066,739	3,138,397
DEDUCTIONS:		
Benefits paid to participants	344,915	2,068,127
Administrative expenses	12,650	11,662
TOTAL DEDUCTIONS	357,565	2,079,789
NET INCREASE	709,174	1,058,608
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	18,841,629	17,783,021
End of year	$ 19,550,803	$ 18,841,629

See notes to financial statements.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 1. DESCRIPTION OF THE PLAN:

The following brief description of the KaiserAir, Inc. Savings and Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

General:

The Plan is a profit-sharing plan covering all eligible employees of KaiserAir, Inc. (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Employees are eligible to participate in the Plan as of the enrollment date coinciding with or next following the date on which the employee has both attained age 21 and completed one month of Eligibility Service.

Participant accounts:

Each participant's account is credited with (1) each Employee Tax-Deferred or After-Tax contribution; (2) the Company's matching contribution or safe harbor contribution, if any, (3) a discretionary profit sharing contribution and (4) Plan earnings. The benefit to which a participant is entitled to is the benefit that is provided from the participant's account less the unvested portion of the employer's contributions, if any.

Participant contributions:

Participants may elect to make either tax-deferred or after-tax contributions to the Plan. The amount of tax-deferred contributions and after-tax contributions made by an eligible employee by payroll withholding shall be an integral percentage of his compensation of not less than 1 percent nor more than 100 percent and not less than 2 percent nor more than 100 percent respectively.

Participants' tax-deferred contribution is limited to $16,500 for the years ended December 31, 2011 and 2010. In addition, annual catch-up contributions of $5,500 (2011 and 2010) are allowed for participants who are over 50 years of age.

Employer contributions:

Matching contributions:

The employer shall make a Safe Harbor Matching Contribution on behalf of each of its eligible employees who has made tax-deferred and/or after-tax contributions for the year. The amount of the Safe Harbor Matching Contribution shall be equal to 100 percent of the first 4 percent of the eligible employee's compensation that he contributes to the Plan. In addition, the Company may, in its discretion, make a Regular Matching Contribution to the Plan in an amount determined by the Company.

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 1. DESCRIPTION OF THE PLAN (Continued):

Vesting:

Participants are immediately vested in their voluntary contributions and the Safe Harbor Matching Contribution. A participant's vested interest in his Regular Matching Contributions shall be determined in accordance with the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%
1, but less than 2	20%
2, but less than 3	40%
3, but less than 4	60%
4, but less than 5	80%
5 or more	100%

Benefit payments:

Participant contributions are available for withdrawal in a lump-sum distribution upon the participant's death, retirement, total disability, age 59½, or termination of employment with the Company.

Forfeited accounts:

The portion of a forfeiture that was attributable to Regular Matching Contributions, if any, shall be allocated among the accounts of participants who are eligible employees during the Plan year in which the forfeiture is being allocated and have met the allocation requirements for matching contributions for such plan year.

Prior to allocating forfeited amounts among participants' accounts, the administrator may direct any portion or all such forfeited amount against Plan expenses. There were $6,930 and $14,496 in forfeited accounts at December 31, 2011 and December 31, 2010, respectively.

Administrative expenses:

The Plan paid all administrative expenses and certain investment expenses for the years ended December 31, 2011 and December 31, 2010.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Method of accounting:

The Plan’s policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and investment income are recorded as received and expenses when paid. Investment transactions are recorded as cash is received and disbursed, rather than at the trade-date as required by generally accepted accounting principles if presented in the accrual basis.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Investment valuation and income recognition:

Investments are included in the financial statements at fair value as reported to the Plan by Hartford Life Insurance Company. Mutual fund shares are stated at quoted market value. Gains and losses on investments are recognized in the period in which the appreciation or depreciation occurs. The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in fair value of investments, which consists of the net realized gains or losses and unrealized appreciation or depreciation on those investments.

As described in professional accounting standards, 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. As required by professional accounting standards, 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.

Payment of benefits:

Benefit payments are recorded when paid.

Subsequent events:

The Administrative Committee has evaluated subsequent events through September 20, 2012, the date which the financial statements were available for issue.

Note 3. NATURE OF ESTIMATES:

The preparation of financial statements in conformity with modified cash basis of accounting requires the Administrative Committee to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 4. SIGNIFICANT CONCENTRATION OF CREDIT RISK:

The Plan's investments are held in a trust fund administered by the Hartford Life Insurance Company. The Plan provides for various investment options in any one of a combination of mutual funds that invest in stocks, bonds, fixed income securities and other investment securities. These investments are exposed to various risks, such as credit, interest rate and market. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits. All the investments are subject to self-direction by employees.

Note 5. GUARANTEED INVESTMENT CONTRACT:

The Plan entered into a benefit-responsive investment contract with Hartford Insurance Company (Hartford). Hartford maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Harford, 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 crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than a certain percentage. For the years ended December 31, 2011 and December 31, 2010, the portfolio gross crediting rate was 3% and 3%, and a current market interest rate of 4.00% and 4.00%, respectively. Interest rates are reviewed on a quarterly basis for resetting.

The fair market value of the Plan's benefit-responsive investment was $11,554,047 and $9,596,017 at December 31, 2011 and December 31, 2010, respectively.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 6. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE:

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified as complete and accurate by the Plan trustee, Hartford Life Insurance Company.

ESTIMATED FAIR VALUE OF INVESTMENTS

		December 31, 2011	December 31, 2010
	Alger Capital Appreciation Insts	$ 391,334	$ 331,843
	American Century Infl Adj Bond	196,914	9,255
*	Fixed Account Fund	11,554,047	9,596,017
	Franklin Small-Mid Cap Growth	149,884	275,620
	Goldman Sachs Mid Cap	34,645	55,296
*	Hartford Capital Apprctn HLS	1,613,005	1,922,544
	Hartford Growth Opportunity	28,506	31,033
*	Hartford Index HLS	1,436,221	1,319,542
	Hartford International Opps HLS	362,336	460,317
*	Hartford Midcap HLS	1,847,513	2,349,349
	Hartford Small Company HLS	521,852	679,232
	Janus Balanced	615,890	607,330
	Janus Overseas	377,003	516,357
	Lifepath 2020	218,068	211,386
	Lifepath 2030	5,600	5,498
	Lifepath 2040	189,934	139,346
	Lifepath Retirement	147,544	9,354
	Mutual Beacon	16,216	13,740
	Mutual Discovery	137,197	124,964
	Oppenheimer Main St Small Cap	50,537	48,046
	Pimco Total Return	162,908	36,858
	Putnam High Yield Advantage	168,070	306,996
	Van Kampen Equity and Income	321,309	412,527
	Goldman Sachs Small Cap	2,957	1,273
	DWS EAFE Equity Index	7,535	7,213
	Nuveen Mid Cap Index	11,273	43,767
	DWS US Bond Index Inst	40,428	-
	Nuveen Small Cap Index I	4,089	-
	Total	$ 20,612,815	$ 19,514,703

*Represented 5% or more of the Plan's net assets.

Note 7. FAIR VALUE MEASUREMENTS:

Professional accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standards 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 any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Guaranteed Investment Contract- 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 (See Note 5).

The preceding methods 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 methods are 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.

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Note 7. FAIR VALUE MEASUREMENTS (Continued):

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

Investments at Fair Value as of December 31, 2011

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 9,058,768	$ -	$ -	$ 9,058,768
Guaranteed investment contract	-	11,554,047	-	11,554,047
Investments at fair value	$ 9,058,768	$ 11,554,047	$ -	$20,612,815

Investments at Fair Value as of December 31, 2010

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 9,918,686	$ -	$ -	$ 9,918,686
Guaranteed investment contract	-	9,596,017	-	9,596,017
Investments at fair value	$ 9,918,686	$ 9,596,017	$ -	$19,514,703

Note 8. INCOME TAX STATUS:

Effective October 1, 2004, the Plan, as amended and restated, is intended to qualify as a profit-sharing plan under code section 401(a) and 401(k).

The Plan obtained its latest determination letter on July 7, 2010, 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. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax position meeting a “more-likely-than-not” threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2011, the Plan has had no uncertain tax position. The Plan recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. Annual returns for the years prior to 2007 are no longer subject to examination by tax authorities.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 9. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Company may, at its sole discretion, terminate the Plan in whole or in part at any time. In the event of termination, investments will be valued on the termination date and paid out to participants after deducting liquidation and termination expenses.

Note 10. RELATED PARTY TRANSACTIONS:

Certain plan investments are shares of mutual funds managed by Hartford Life Insurance Company. The investment transactions are executed by Hartford Life Insurance Company, the trustee as defined by the Plan. Fees paid by the Plan for the investment management services amounted to $12,650 and $11,662 for the years ended December 31, 2011 and 2010, respectively. These transactions qualify as party-in-interest transactions, which are exempt from the ERISA, prohibited transaction rules.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

SUPPLEMENTAL INFORMATION

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN
PLAN NUMBER - 001, EIN 94-2452675

SCHEDULE OF ASSETS HELD FOR INVESTMENT
FORM 5500, SCHEDULE H, LINE 4i
(Required by ERISA Sec. 103(b) (3) (c))

AS OF DECEMBER 31, 2011

(a)	(b) Identity of Issue	(c) Description of Investment	(e) Current Value
	Funds held by Hartford Life Insurance Company:		
	Alger Capital Appreciation Inst	Mutual Funds	$ 391,334
	American Century Infl Adj Bond	Mutual Funds	196,914
	Fixed Account Fund	Guaranteed Investment Contract	10,492,035
	Franklin Small-Mid Cap Growth	Mutual Funds	149,884
	Goldman Sachs Mid Cap	Mutual Funds	34,645
(*)	Hartford Capital Apprctn HLS	Mutual Funds	1,613,005
(*)	Hartford Growth Opportunities	Mutual Funds	28,506
(*)	Hartford Index HLS	Mutual Funds	1,436,221
(*)	Hartford International Opps HLS	Mutual Funds	362,336
(*)	Hartford Midcap HLS	Mutual Funds	1,847,513
(*)	Hartford Small Company HLS	Mutual Funds	521,852
	Janus Balanced	Mutual Funds	615,890
	Janus Overseas	Mutual Funds	377,003
	Lifepath 2020	Mutual Funds	218,068
	Lifepath 2030	Mutual Funds	5,600
	Lifepath 2040	Mutual Funds	189,934
	Lifepath Retirement	Mutual Funds	147,544
	Mutual Beacon	Mutual Funds	16,216
	Mutual Discover	Mutual Funds	137,197
	Oppenheimer Main St Small Cap	Mutual Funds	50,537
	Pimco Total Return	Mutual Funds	162,908
	Putnam High Yield Advantage	Mutual Funds	168,070
	Van Kemp Equity and Income	Mutual Funds	321,309
	Goldman Sachs Small Cap	Mutual Funds	2,957
	DWS EAFE Equity Index	Mutual Funds	7,535
	Nuveen Mid Cap Index	Mutual Funds	11,273
	DWS US Bond Index Inst	Mutual Funds	40,428
	Nuveen Small Cap Index I	Mutual Funds	4,089
	Total		$ 19,550,803

(a) (*) Party-in-interest.
(d) Column is not applicable.

See notes to financial statements.

Fee and Compensation Disclosure Report

This document is intended to assist a plan administrator ("you") in completing the Form 5500 Schedule C[1] by identifying different types of compensation paid with respect to the Hartford product utilized by your plan.

As permitted under the Schedule C rules, compensation is disclosed in the attached report as an actual dollar amount, an estimate or a formula or rate.

- Where an actual dollar amount of compensation is disclosed, no further notation regarding compensation calculations is generally provided.
- Where an estimate of the compensation amount is disclosed, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount.
- Where a formula or rate is provided to report compensation, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount. This formula or rate may be disclosed to describe the compensation to which it applies under the Schedule C rules. Alternatively, for purposes of Schedule C disclosure or in connection with your fiduciary review of the compensation paid with respect to the services, products and investment options utilized by the plan, you may calculate and disclose an actual or estimated dollar amount by multiplying the rate by the total assets to which it applies.

Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2011 - 12/31/2011 and indirect compensation is presented on a calendar year basis ending 12/31/2011.

This report includes compensation actually paid to or by the Hartford within the indicated plan year as part of your Hartford product. *(Note: If the plan year period or plan year end indicated in this Schedule C reporting package is incorrect, please notify your Hartford customer service representative immediately).* This report does not include amounts deducted from plan assets and paid to third parties (other than Hartford). In addition, the report does not include compensation related to investments held by the plan that are not serviced on our recordkeeping system. You should contact your other service providers for reportable compensation information. You may also receive information on the compensation reported here from other service providers as is described below.

Please note that we have provided suggested service codes with respect to services provided through our Hartford product. Please review all Schedule C and other Form 5500 materials with your experienced benefits counsel and other professionals to determine the most appropriate codes for your plan. In addition, please note that because plans with fewer than 100 participants (as of the beginning of the plan year) are generally not required to file Schedule C, you should refer to the instructions provided by the IRS for Schedule C and/or review the applicability of Schedule C to your plan with your experienced tax/benefits counsel, to determine whether it is necessary for the plan to report the information contemplated by this report.

Please contact your Hartford Service Team should you require additional information regarding the compensation paid to or by Hartford with respect to your plan.

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Information provided in this document and related materials we provide are not intended to be and shall not be deemed tax advice, tax form preparation services, legal advice, advice to plans regarding compliance with ERISA reporting compliance, or accounting or other professional services. As described above, the information contained in this report may not cover all of the compensation received by the plan's service providers. We strongly encourage you to review all Schedule C and other Form 5500 materials with experienced benefits counsel and other professionals.

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[1] Please refer to the Schedule C of the Form 5500 and its instructions (available at: http://www.dol.gov/ebsa/5500main.html), and please confer with experienced benefits counsel and other professionals, to determine the applicability of Schedule C to your plan.

FORM 5500 SCHEDULE C REPORT
SCHEDULE C, LINE 2(h) AND LINE 3(e) FORMULA DESCRIPTION

KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN (002333)
EIN #: 94-2452675

Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2011 - 12/31/2011 and indirect compensation is presented on a calendar year basis ending 12/31/2011.

For use with lines 2(h), 3(c), 3(d), 3(e)

Total Direct Compensation Paid **$12,650.00**

The total amount identified above reflects all fees deducted from plan assets at the plan administrator's direction for the plan year. Service providers which have received portions of these direct fees are listed below, along with the amount of fees they received. Please note that if there is a discrepancy between the total direct fees reported above and the sum of the direct fees reported below, you should contact your other service providers or your plan records to identify the recipient(s) of the fees and any other information relevant to your Schedule C filing.

Recipient: Hartford Life Insurance Company EIN: 06-0974148

Service Codes: 15, 23, 37, 38, 54, 55, 59, 60, 62, 63, 64, 65, 66, 99, 50 (if direct compensation amount reflected below)

Direct Compensation **$150.00**

The total amount identified above reflects fees deducted from plan assets at the plan administrator's direction for the 2011 plan year for the above named recipient. Please review other service providers, below, to determine whether direct fees were also paid to them. Also, please review your records to determine whether other service providers may have received any compensation not reported below (e.g., a reimbursement paid to any plan fiduciary, your employee benefits counsel, or a plan auditor).

Note: Due to system accounting protocols (including 'cash basis' accounting), amounts reported as Direct Compensation and amounts reported as paid to Hartford Life Insurance Company are the net result of aggregating direct compensation after the effects of adjustments processed in 2011, some of which may have pertained to prior years.

Please review the detailed breakdown at the end of the report for further information.

Indirect Compensation

Float compensation **$0.23**

Bank accounts and investments associated with short-term investment pool, 200 Hopmeadow Road, Simsbury, CT 06089

This is an estimate based on the annual average rate of float (0.01% for 2011) earned on the bank accounts and investments associated with the short-term investment pool for the 2011 calendar year multiplied by an estimate of the assets related to uncashed checks.* This estimate does not include float earned for any other reason (e.g., if amounts remitted to The Hartford cannot be immediately invested because they are not in good order). Please review or request a copy of the current float disclosure for more information about the other circumstances in which float is earned.

* A complete listing of distribution checks that remain outstanding is available on the Retirement Plan Access web site under the Standard Reports section (Report R03998-Outstanding Distribution Checks). Uncashed check assets will continue to remain in a float-earning bank account until such time direction is received from the Plan Sponsor. The Plan Sponsor should consult with their tax advisor or benefits counsel to determine if assets attributable to uncashed checks should be included on the Form 5500 filing.

Non Monetary Compensation

Please note that items of nonmonetary compensation need to be reported for Schedule A or C (Form 5500) purposes if they exceed certain *de minimus* amounts. Transactions generating nonmonetary compensation may include gifts, gratuities, or certain types of in-kind benefits. Hartford's Code of Ethics and Business Conduct generally restricts Hartford employees from giving to or receiving gifts from customers and/or business partners having a value of over $100, in any individual situation, without prior approval. However, it is possible that one or more of your service providers for the calendar year, including Hartford, engaged in transactions generating nonmonetary compensation. Information concerning reportable transactions undertaken between or among non-Hartford parties may not be available to The Hartford.

Please consult with your legal or tax advisors if you have any questions.

Compensation paid with respect to Funds

Investment Option Name	*EIN*	*Revenue Sharing Rate (%) Paid to The Hartford (rates as of 12/31/2011)*	*Underlying Fund Gross Expense Ratio as of the Fund's Year End*[*]
ALGER CAP APP INSTITUTIONAL I	13-2665689	0.55% x assets	1.17%
AMERICAN CENTURY INFL ADJ BD A	43-0821857	0.50% x assets	0.73%
BLACKROCK LIFEPATH 2020 A	51-0318674	0.75% x assets	1.44%
BLACKROCK LIFEPATH 2030 A	51-0318674	0.75% x assets	1.44%
BLACKROCK LIFEPATH 2040 A	51-0318674	0.75% x assets	1.44%
BLACKROCK LIFEPATH RETIREMENT A	51-0318674	0.75% x assets	1.43%
CUSIP-416528503	NA[1]	0.25% x assets	0.34%
DWS EAFE EQUITY INDEX INST	13-3241232		0.51%
DWS US BOND INDEX INST	13-3241232	0.05% x assets	0.39%
FIXED ACCOUNT	06-0974148		0.00%
FRANKLIN SMMID CAP GROWTH A	13-3151768	0.35% x assets plus $12/participant	1.01%
GOLDMAN SACHS MDCAP VALUE A	13-4019460	0.55% x assets	1.16%
GOLDMAN SACHS SMALL CAP VALUE A	13-4019460	0.55% x assets	1.46%
HARTFORD CAPITAL APP HLS IA	22-2937447	0.25% x assets	0.67%
HARTFORD GROWTH OPPS HLS IA	41-1600027	0.25% x assets	0.66%
HARTFORD INDEX HLS IA	22-2937447	0.25% x assets	0.34%
HARTFORD INTERNAT'L OPPS HLS IA	22-2937447	0.25% x assets	0.74%
HARTFORD MIDCAP HLS IA	22-2937447	0.25% x assets	0.70%
HARTFORD SMALL COMPANY HLS IA	22-2937447	0.25% x assets	0.73%
INVESCO VAN KAMPEN EQTY & INC A	76-0343427	0.55% x assets	0.81%
JANUS BALANCED T	84-0592523	0.30% x assets	0.85%
JANUS OVERSEAS S	84-0592523	0.50% x assets	1.22%
MUTUAL BEACON A	22-2894171	0.35% x assets plus $12/participant	1.18%
MUTUAL GLOBAL DISCOVERY A	22-2894171	0.35% x assets plus $12/participant	1.34%
NUVEEN MID CAP INDEX I	41-1418224	0.25% x assets	0.59%
NUVEEN SMALL CAP INDEX I	41-1418224	0.15% x assets	1.01%
OPPENHEIMER MAIN ST SM &MD CAP A	84-1501338	0.55% x assets	1.25%
PIMCO TOTAL RETURN A	33-0629048	0.40% x assets	0.85%
PUTNAM HIGH YIELD ADVANTAGE A	06-6290063	0.50% x assets	1.04%

[1] At the time this report was generated this information was not available.

Under the variable investment options available through your plan's group annuity contract or funding agreement, contract values are invested in Hartford Life Insurance Company separate accounts that, in turn, invest in underlying registered investment companies (i.e.,

mutual funds) and collective investment funds.

The list includes any investment option held by the plan on at least one month end during the 2011 calendar year. To arrive at an estimate of the dollar amount that Hartford received from each investment option, multiply the rate of fees received from each investment option by your plan's year-end balance (or if the investment option was liquidated prior to year end, the balance on the liquidation date) and, if applicable, the per participant fee by the number of participants in the investment option at year end (or the liquidation date if earlier). This will be an estimate because your plan's balance and number of participants will vary over the course of the year, so the year-end balance and number of participants may be higher or lower than the daily balance. In addition, these fees are calculated on a daily basis.

* This amount is the sum of the fund's distribution, management and other fees, which are also identified in the fund's prospectus. Please note that affiliates of Hartford Life Insurance Company act as advisor to the Hartford funds. Such affiliates are identified in the fund's prospectus' and receive management fees in the following amounts:

Hartford Capital Appreciation HLS IA	0.63% x assets
Hartford Growth Opportunities HLS IA	0.61% x assets
Hartford Index HLS IA	0.30% x assets
Hartford International Opp HLS IA	0.67% x assets
Hartford MidCap HLS IA	0.68% x assets
Hartford Small Company HLS IA	0.69% x assets

Recipient: LPL FINANCIAL LLC EIN: 95-2834236

Service Codes:

Please contact your Service Provider for the list of applicable services performed and Service Codes.

Direct Compensation **$0.00**

Our records indicate that this recipient did not receive any Direct Compensation. Please review your records to determine whether this service provider may have received any compensation not reported.

Indirect Compensation

* **Sales commission**	Payor: Hartford Life Insurance Company	EIN: 06-0974148	**$48,804.24**

* *Sales Commissions are reported on a Plan Year basis.*

Non Monetary Compensation

Please note that items of nonmonetary compensation need to be reported for Schedule A or C (Form 5500) purposes if they exceed certain *de minimus* amounts. Transactions generating nonmonetary compensation may include gifts, gratuities, or certain types of in-kind benefits. Hartford's Code of Ethics and Business Conduct generally restricts Hartford employees from giving to or receiving gifts from customers and/or business partners having a value of over $100, in any individual situation, without prior approval. However, it is possible that one or more of your service providers for the 2011 calendar year, including Hartford, engaged in transactions generating nonmonetary compensation. Information concerning reportable transactions undertaken between or among non-Hartford parties may not be available to The Hartford.

Please consult with your legal or tax advisors if you have any questions.

Recipient: Other EIN: 99-9999999

Service Codes:

Please contact your Service Provider for the list of applicable services performed and Service Codes.

Direct Compensation **$12,500.00**

The total amount identified above reflects fees deducted from plan assets at the plan administrator's direction for the 2011 plan year for the above named recipient.

Note: Due to system accounting protocols (including 'cash basis' accounting), amounts reported as Direct Compensation are the net result of aggregating direct compensation after the effects of adjustments processed in 2011, some of which may have pertained to prior years.

Please review the detailed breakdown at the end of the report for further information.

Indirect Compensation **$0.00**

Our records indicate that this recipient did not receive any Indirect Compensation. Please review your records to determine whether this service provider may have received any compensation not reported.

Direct Revenue Detail

Recipient: ***Hartford Life Insurance Company***

Fee Description	**Dollar Amount**
Holding Account: Internal Fee	$150.00
Total Direct Revenue:	**$150.00**

Recipient: ***Other***

Fee Description	**Dollar Amount**
Holding Account: TPA Fee	$12,500.00
Total Direct Revenue:	**$12,500.00**

Grand Total Direct Fees: **$12,650.00**

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND DECEMBER 31, 2010

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

TABLE OF CONTENTS
DECEMBER 31, 2011 AND 2010

Independent auditors' report	2
Statement of net assets available for benefits – modified cash basis	3
Statement of changes in net assets available for benefits – modified cash basis	4
Notes to financial statements	5 - 12
Supplemental information:	
Schedule 1 - Schedule of assets held for investment	14

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RINA

Independent Auditors' Report

Plan Administrator
KaiserAir, Inc. Savings and Profit Sharing Plan

We were engaged to audit the statement of net assets available for benefits (modified cash basis) of KaiserAir, Inc. Savings and Profit Sharing Plan as of December 31, 2011 and December 31, 2010, the related statement of changes in net assets available for benefits (modified cash basis) for the years ended December 31, 2011 and December 31, 2010, and supplemental schedule as of December 31, 2011.

As permitted by 29 CFR 2520.103-8 of the Department of Labor 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 6 which was certified by Hartford Life Insurance Company, the Plan trustee, in accordance with DOL Regulation 2520.103-5, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and December 31, 2010 that the information provided to the Plan administrator by the trustee is complete and accurate.

As described in Note 2, these financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States 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 Security Act of 1974.

RINA accountancy corporation

Certified Public Accountants

Oakland, California
September 20, 2012

KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

	December 31, 2011	December 31, 2010
ASSETS:		
Investments, at fair value	$ 9,058,768	$ 9,918,686
Guaranteed investment contract, at fair value	11,554,047	9,596,017
TOTAL ASSETS	20,612,815	19,514,703
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	20,612,815	19,514,703
Adjustment from fair value to contract value for fully benefit-responsive instrument contracts	(1,062,012)	(673,074)
NET ASSETS AVAILABLE FOR BENEFITS	$ 19,550,803	$ 18,841,629

See notes to financial statements.

KAISERAIR, INC. SAVINGS AND PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

	December 31, 2011	December 31, 2010
ADDITIONS:		
Investment income	$ 376,718	$ 360,822
Contributions:		
Employer	687,714	421,963
Participants	571,013	588,987
Rollover	-	254,092
Net appreciation (depreciation) in fair value of investments	(568,706)	1,512,533
TOTAL ADDITIONS	1,066,739	3,138,397
DEDUCTIONS:		
Benefits paid to participants	344,915	2,068,127
Administrative expenses	12,650	11,662
TOTAL DEDUCTIONS	357,565	2,079,789
NET INCREASE	709,174	1,058,608
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	18,841,629	17,783,021
End of year	$ 19,550,803	$ 18,841,629

See notes to financial statements.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 1. DESCRIPTION OF THE PLAN:

The following brief description of the KaiserAir, Inc. Savings and Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

General:

The Plan is a profit-sharing plan covering all eligible employees of KaiserAir, Inc. (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Employees are eligible to participate in the Plan as of the enrollment date coinciding with or next following the date on which the employee has both attained age 21 and completed one month of Eligibility Service.

Participant accounts:

Each participant's account is credited with (1) each Employee Tax-Deferred or After-Tax contribution; (2) the Company's matching contribution or safe harbor contribution, if any, (3) a discretionary profit sharing contribution and (4) Plan earnings. The benefit to which a participant is entitled to is the benefit that is provided from the participant's account less the unvested portion of the employer's contributions, if any.

Participant contributions:

Participants may elect to make either tax-deferred or after-tax contributions to the Plan. The amount of tax-deferred contributions and after-tax contributions made by an eligible employee by payroll withholding shall be an integral percentage of his compensation of not less than 1 percent nor more than 100 percent and not less than 2 percent nor more than 100 percent respectively.

Participants' tax-deferred contribution is limited to $16,500 for the years ended December 31, 2011 and 2010. In addition, annual catch-up contributions of $5,500 (2011 and 2010) are allowed for participants who are over 50 years of age.

Employer contributions:

Matching contributions:

The employer shall make a Safe Harbor Matching Contribution on behalf of each of its eligible employees who has made tax-deferred and/or after-tax contributions for the year. The amount of the Safe Harbor Matching Contribution shall be equal to 100 percent of the first 4 percent of the eligible employee's compensation that he contributes to the Plan. In addition, the Company may, in its discretion, make a Regular Matching Contribution to the Plan in an amount determined by the Company.

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 1. DESCRIPTION OF THE PLAN (Continued):

Vesting:

Participants are immediately vested in their voluntary contributions and the Safe Harbor Matching Contribution. A participant's vested interest in his Regular Matching Contributions shall be determined in accordance with the following schedule:

Years of Vesting Service	Vested Interest
Less than 1	0%
1, but less than 2	20%
2, but less than 3	40%
3, but less than 4	60%
4, but less than 5	80%
5 or more	100%

Benefit payments:

Participant contributions are available for withdrawal in a lump-sum distribution upon the participant's death, retirement, total disability, age 59½, or termination of employment with the Company.

Forfeited accounts:

The portion of a forfeiture that was attributable to Regular Matching Contributions, if any, shall be allocated among the accounts of participants who are eligible employees during the Plan year in which the forfeiture is being allocated and have met the allocation requirements for matching contributions for such plan year.

Prior to allocating forfeited amounts among participants' accounts, the administrator may direct any portion or all such forfeited amount against Plan expenses. There were $6,930 and $14,496 in forfeited accounts at December 31, 2011 and December 31, 2010, respectively.

Administrative expenses:

The Plan paid all administrative expenses and certain investment expenses for the years ended December 31, 2011 and December 31, 2010.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Method of accounting:

The Plan’s policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and investment income are recorded as received and expenses when paid. Investment transactions are recorded as cash is received and disbursed, rather than at the trade-date as required by generally accepted accounting principles if presented in the accrual basis.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Investment valuation and income recognition:

Investments are included in the financial statements at fair value as reported to the Plan by Hartford Life Insurance Company. Mutual fund shares are stated at quoted market value. Gains and losses on investments are recognized in the period in which the appreciation or depreciation occurs. The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in fair value of investments, which consists of the net realized gains or losses and unrealized appreciation or depreciation on those investments.

As described in professional accounting standards, 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. As required by professional accounting standards, 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.

Payment of benefits:

Benefit payments are recorded when paid.

Subsequent events:

The Administrative Committee has evaluated subsequent events through September 20, 2012, the date which the financial statements were available for issue.

Note 3. NATURE OF ESTIMATES:

The preparation of financial statements in conformity with modified cash basis of accounting requires the Administrative Committee to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 4. SIGNIFICANT CONCENTRATION OF CREDIT RISK:

The Plan's investments are held in a trust fund administered by the Hartford Life Insurance Company. The Plan provides for various investment options in any one of a combination of mutual funds that invest in stocks, bonds, fixed income securities and other investment securities. These investments are exposed to various risks, such as credit, interest rate and market. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits. All the investments are subject to self-direction by employees.

Note 5. GUARANTEED INVESTMENT CONTRACT:

The Plan entered into a benefit-responsive investment contract with Hartford Insurance Company (Hartford). Hartford maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Harford, 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 crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than a certain percentage. For the years ended December 31, 2011 and December 31, 2010, the portfolio gross crediting rate was 3% and 3%, and a current market interest rate of 4.00% and 4.00%, respectively. Interest rates are reviewed on a quarterly basis for resetting.

The fair market value of the Plan's benefit-responsive investment was $11,554,047 and $9,596,017 at December 31, 2011 and December 31, 2010, respectively.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 6. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE:

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified as complete and accurate by the Plan trustee, Hartford Life Insurance Company.

ESTIMATED FAIR VALUE OF INVESTMENTS

		December 31, 2011	December 31, 2010
	Alger Capital Appreciation Insts	$ 391,334	$ 331,843
	American Century Infl Adj Bond	196,914	9,255
*	Fixed Account Fund	11,554,047	9,596,017
	Franklin Small-Mid Cap Growth	149,884	275,620
	Goldman Sachs Mid Cap	34,645	55,296
*	Hartford Capital Apprctn HLS	1,613,005	1,922,544
	Hartford Growth Opportunity	28,506	31,033
*	Hartford Index HLS	1,436,221	1,319,542
	Hartford International Opps HLS	362,336	460,317
*	Hartford Midcap HLS	1,847,513	2,349,349
	Hartford Small Company HLS	521,852	679,232
	Janus Balanced	615,890	607,330
	Janus Overseas	377,003	516,357
	Lifepath 2020	218,068	211,386
	Lifepath 2030	5,600	5,498
	Lifepath 2040	189,934	139,346
	Lifepath Retirement	147,544	9,354
	Mutual Beacon	16,216	13,740
	Mutual Discovery	137,197	124,964
	Oppenheimer Main St Small Cap	50,537	48,046
	Pimco Total Return	162,908	36,858
	Putnam High Yield Advantage	168,070	306,996
	Van Kampen Equity and Income	321,309	412,527
	Goldman Sachs Small Cap	2,957	1,273
	DWS EAFE Equity Index	7,535	7,213
	Nuveen Mid Cap Index	11,273	43,767
	DWS US Bond Index Inst	40,428	-
	Nuveen Small Cap Index I	4,089	-
	Total	$ 20,612,815	$ 19,514,703

*Represented 5% or more of the Plan's net assets.

Note 7. FAIR VALUE MEASUREMENTS:

Professional accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standards 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 any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Guaranteed Investment Contract- 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 (See Note 5).

The preceding methods 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 methods are 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.

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Note 7. FAIR VALUE MEASUREMENTS (Continued):

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

Investments at Fair Value as of December 31, 2011

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 9,058,768	$ -	$ -	$ 9,058,768
Guaranteed investment contract	-	11,554,047	-	11,554,047
Investments at fair value	$ 9,058,768	$ 11,554,047	$ -	$20,612,815

Investments at Fair Value as of December 31, 2010

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 9,918,686	$ -	$ -	$ 9,918,686
Guaranteed investment contract	-	9,596,017	-	9,596,017
Investments at fair value	$ 9,918,686	$ 9,596,017	$ -	$19,514,703

Note 8. INCOME TAX STATUS:

Effective October 1, 2004, the Plan, as amended and restated, is intended to qualify as a profit-sharing plan under code section 401(a) and 401(k).

The Plan obtained its latest determination letter on July 7, 2010, 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. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax position meeting a “more-likely-than-not” threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2011, the Plan has had no uncertain tax position. The Plan recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. Annual returns for the years prior to 2007 are no longer subject to examination by tax authorities.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS -
DECEMBER 31, 2011 AND DECEMBER 31, 2010

Note 9. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Company may, at its sole discretion, terminate the Plan in whole or in part at any time. In the event of termination, investments will be valued on the termination date and paid out to participants after deducting liquidation and termination expenses.

Note 10. RELATED PARTY TRANSACTIONS:

Certain plan investments are shares of mutual funds managed by Hartford Life Insurance Company. The investment transactions are executed by Hartford Life Insurance Company, the trustee as defined by the Plan. Fees paid by the Plan for the investment management services amounted to $12,650 and $11,662 for the years ended December 31, 2011 and 2010, respectively. These transactions qualify as party-in-interest transactions, which are exempt from the ERISA, prohibited transaction rules.

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN

SUPPLEMENTAL INFORMATION

KAISERAIR, INC.
SAVINGS AND PROFIT SHARING PLAN
PLAN NUMBER - 001, EIN 94-2452675

SCHEDULE OF ASSETS HELD FOR INVESTMENT
FORM 5500, SCHEDULE H, LINE 4i
(Required by ERISA Sec. 103(b) (3) (c))

AS OF DECEMBER 31, 2011

(a)	(b) Identity of Issue	(c) Description of Investment	(e) Current Value
	Funds held by Hartford Life Insurance Company:		
	Alger Capital Appreciation Inst	Mutual Funds	$ 391,334
	American Century Infl Adj Bond	Mutual Funds	196,914
	Fixed Account Fund	Guaranteed Investment Contract	10,492,035
	Franklin Small-Mid Cap Growth	Mutual Funds	149,884
	Goldman Sachs Mid Cap	Mutual Funds	34,645
(*)	Hartford Capital Apprctn HLS	Mutual Funds	1,613,005
(*)	Hartford Growth Opportunities	Mutual Funds	28,506
(*)	Hartford Index HLS	Mutual Funds	1,436,221
(*)	Hartford International Opps HLS	Mutual Funds	362,336
(*)	Hartford Midcap HLS	Mutual Funds	1,847,513
(*)	Hartford Small Company HLS	Mutual Funds	521,852
	Janus Balanced	Mutual Funds	615,890
	Janus Overseas	Mutual Funds	377,003
	Lifepath 2020	Mutual Funds	218,068
	Lifepath 2030	Mutual Funds	5,600
	Lifepath 2040	Mutual Funds	189,934
	Lifepath Retirement	Mutual Funds	147,544
	Mutual Beacon	Mutual Funds	16,216
	Mutual Discover	Mutual Funds	137,197
	Oppenheimer Main St Small Cap	Mutual Funds	50,537
	Pimco Total Return	Mutual Funds	162,908
	Putnam High Yield Advantage	Mutual Funds	168,070
	Van Kemp Equity and Income	Mutual Funds	321,309
	Goldman Sachs Small Cap	Mutual Funds	2,957
	DWS EAFE Equity Index	Mutual Funds	7,535
	Nuveen Mid Cap Index	Mutual Funds	11,273
	DWS US Bond Index Inst	Mutual Funds	40,428
	Nuveen Small Cap Index I	Mutual Funds	4,089
	Total		$ 19,550,803

(a) (*) Party-in-interest.
(d) Column is not applicable.

See notes to financial statements.