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
Q.G.S. DEVELOPMENT, INC. 401(K) PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1985

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

Q.G.S. DEVELOPMENT, INC.

P.O. DRAWER 108
17502 COUNTY ROAD 672
LITHIA, FL 33547-0108

2b Employer Identification Number (EIN)
59-2233851

2c Sponsor's telephone number
813-634-3326

2d Business code (see instructions)
238900

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.	10/08/2012	DONALD THOMAS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

P.O. DRAWER 108
LITHIA, FL 33547-0108

3b Administrator's EIN
59-2233851

3c Administrator's telephone number
813-634-3326

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**	123
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**	76
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	37
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	115
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	115
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	85
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 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)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**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)			**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
Q.G.S. DEVELOPMENT, INC. 401(K) PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
Q.G.S. DEVELOPMENT, INC.

D Employer Identification Number (EIN)
59-2233851

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

JOHN HANCOCK LIFE INSURANCE COMPANY U.S.A.

(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
01-0233346	65838	55273	87	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
10601	4353

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

FINANCIAL TELESIS INC.
4340 REDWOOD HIGHWAY SUITE A23
SAN RAFAEL, CA 94903

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
2801			4

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

CAMBRIDGE INVESTMENT RESEARCH, INC.
1776 PLEASANT PLAIN RD
FAIRFIELD, IA 52556

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
7800			3

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

AMERICAN PENSION SERVICES, LLC
2451 MCMULLEN BOOTH ROAD, SUITE 200
CLEARWATER, FL 33759

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
	4353	SALES/ADMINISTRATION	5

(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	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	2563077

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

b	Balance at the end of the previous year			7b	0
c	Additions: (1) Contributions deposited during the year	7c(1)	0		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	0		
	(4) Transferred from separate account	7c(4)	0		
	(5) Other (specify below)	7c(5)	0		
	▶ NONE				
	(6) Total additions			7c(6)	0
d	Total of balance and additions (add **b** and **c(6)**)			7d	0
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0		
	(2) Administration charge made by carrier	7e(2)	0		
	(3) Transferred to separate account	7e(3)	0		
	(4) Other (specify below)	7e(4)	0		
	▶ NONE				
	(5) Total deductions			7e(5)	0
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	0

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)**	0
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)**	0
(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)**	0
(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 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
Q.G.S. DEVELOPMENT, INC. 401(K) PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
59-2233851

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: LIFESTYLE GROWTH

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	272561

a Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE CONSERVATIVE

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	238352

a Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE MODERATE

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	128453

a Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE BALANCED

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	358174

a Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE AGGRESSIVE

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	105245

a Name of MTIA, CCT, PSA, or 103-12 IE: THE GROWTH FUND OF AMERICA

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

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)
01-0233346-000	P	1394335

a Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA MID CAP VALUE

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: INV SMALL CAP GROWTH

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: SHORT-TERM FEDERAL

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37452

a Name of MTIA, CCT, PSA, or 103-12 IE: TOTAL RETURN FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE CO USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28505

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
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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
Q.G.S. DEVELOPMENT, INC. 401(K) PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
Q.G.S. DEVELOPMENT, INC.

D Employer Identification Number (EIN)
59-2233851

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	11317	1499
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	2616314	2565136
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2627631	2566635
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	2627631	2566635

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)	18971	
(B) Participants	2a(1)(B)	120001	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		138972
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(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)		-21027
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		117945
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	175149	
(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)		175149
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	390	
(2) Contract administrator fees	2i(2)	3402	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3792
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		178941
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-60996
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [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: SEDITA, KILTON & COMPANY, CPAS, PL (2) EIN: 20-4055943

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		250000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **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
Q.G.S. DEVELOPMENT, INC. 401(K) PLAN AND TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
Q.G.S. DEVELOPMENT, INC.

D Employer Identification Number (EIN)
59-2233851

Part I Distributions

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

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

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

EIN(s): 01-0233346

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

a The current year	**14a**	
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):

Q.G.S. DEVELOPMENT, INC.
401(k) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
DECEMBER 31, 2011 AND 2010

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Schedule of assets (held at end of year) as of December 31, 2010	10

SK

Sedita Kilton & Company
Certified Public Accountants, P.L.
104 N. Evers St Suite 202, Plant City, FL 33563

Independent Auditor's Report

Q.G.S. Development, Inc. 401(k) Plan
Lithia, Florida

I was engaged to audit the accompanying statements of net assets available for benefits of the Q.G.S. Development, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010 and the supplemental Schedules of Assets (Held at End of Year) as of December 31, 2011 and 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 3 which was certified by John Hancock Life Insurance Company (U.S.A.), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. I have been informed by the plan administrator that John Hancock Life Insurance Company (U.S.A.) held the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

Sedita Kilton

October 2, 2012

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets:		
Cash	$ 1,499	$ 11,317
Investment contract with insurance company, at fair value:		
Pooled separate accounts	2,565,136	2,616,314
Total Assets	2,566,635	2,627,631
Liabilities:		
Expenses payable	-	-
Net Assets Available for Plan Benefits	$ 2,566,635	$ 2,627,631

Read accompanying notes to financial statements.

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011 AND 2010

	Year Ended December 31, 2011	Year Ended December 31, 2010
Additions to net assets attributed to:		
Investment income:		
Net (decrease) increase in fair value of investments	$ (21,027)	$ 227,813
Other income	-	9,396
	(21,027)	237,209
Contributions:		
Employer	18,971	93,437
Participant	120,001	138,292
	138,972	231,729
Total additions	117,945	468,938
Deductions from net assets attributed to:		
Benefits paid to participants	175,149	9,119
Return of excess contributions	-	425
Administrative expenses	3,792	3,139
Net increase	(60,996)	456,255
Net assets available for benefits:		
Beginning of period	2,627,631	2,171,376
End of period	$ 2,566,635	$ 2,627,631

Read accompanying notes to the financial statements.

1. Plan description:

General:

The following is a summary of major Plan provisions of the Q.G.S. Development, Inc. 401(k) Plan (the "Plan"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan was established on November 1, 1985 as the Quality Grassing & Services, Inc. Profit Sharing Plan and was amended in fiscal 1987, 1997, 2003, 2004, 2006, 2008 and 2009. Effective September 8, 2003, the Plan name was changed to the Quality Grassing & Services, Inc. 401(k) Plan pursuant to the adoption of the deferral and matching 401(k) contribution arrangement. Effective November 1, 2003, the Plan changed its financial reporting and tax year end to December 31. Effective November 10, 2006, the Plan name was changed to QGS Development, Inc. 401(k) Plan. Effective January 1, 2010, the Plan became a safe harbor plan. Effective March 14, 2011, the Plan revoked the safe harbor provision.

Participation:

The Plan is a defined contribution plan covering all employees after attaining the age of twenty-one and meeting a one-year service requirement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions:

Participants may contribute up to 100% of pretax annual compensation subject to certain limitations, as defined, and participants direct the investment of their contributions in various investment options offered by the Plan.

Prior to January 1, 2010 and subsequent to March 14, 2011, the Plan provided for discretionary employer matching contributions.

Effective January 1, 2010, the Plan became a safe-harbor plan. The employer makes a safe-harbor matching contribution on behalf of each participant employed by the employer in an amount equal to 100% of the participant's elective deferrals up to 4% of the participant's compensation for each payroll period. Effective March 14, 2011, the Plan revoked the safe harbor provision.

The Plan also provides for discretionary employer profit sharing contributions that are only allocated to participants who have completed 1,000 hours of service and are employed on the last day of the plan year. Employer profit sharing contributions are allocated to participants based on a two-tiered allocation formula as described in the Plan document. Contributions are subject to certain limitations established by the Internal Revenue Code.

Participant accounts:

Each participant's account is credited with the participant's contribution and allocations of the employer's matching and profit sharing contributions, Plan earnings, and administrative

expenses. Employer contributions are credited to participant accounts based on specific allocations as previously described in "Contributions". Allocations of Plan earnings and administrative expenses are based on the individual account balance as a percent of total invested assets.

Vesting:

Participants are vested immediately in their contributions and actual earnings thereon. Prior to January 1, 2010 and subsequent to March 14, 2011, participants become vested in employer matching contributions as follows:

Years of Service	Vesting Percentage
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Additionally, participants become 100% vested upon normal retirement, death, or permanent disability.

Effective January 1, 2010 through March 14, 2011, a participant's vested interest in his safe-harbor matching contribution account is 100% regardless of the number of years of service.

Payment of benefits:

Upon termination of service due to termination of employment, death, disability or retirement, a participant or his estate may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments if the vested account balance exceeds $5,000. If the vested account balance is less than $5,000, a lump-sum distribution must be taken.

Forfeitures:

Forfeitures are used first to reduce the Plan's ordinary administrative expenses and are secondly used to reduce employer-matching contributions in the year the forfeiture occurs.

2. Summary of significant accounting policies:

Investment valuation and income recognition:

The Plan's investments (Note 3) are stated at fair value determined using the quoted closing or last bid prices on the last day of the Plan year. The value of the investments included under the Pooled Separate Accounts increase or decrease to reflect the investment experience of the money market funds, pooled funds and mutual funds. John Hancock does not guarantee the values of the investments included in the Pooled Separate Accounts. Purchases

and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payment of benefits:

Benefits due to terminated participants are recorded when processed and approved for payment by the Plan.

Uses of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3. Investments (unaudited):

The following information included in the accompanying financial statements and accompanying schedules was obtained from data that has been prepared and certified to as complete and accurate by John Hancock Life Insurance Company (U.S.A.). This information has been certified by John Hancock Life Insurance Company (U.S.A.) as permitted by Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

	Year ended December 31,	
	2011	2010
Investment contract with insurance company, at fair value:		
Pooled separate accounts	$ 2,565,136	$ 2,616,314
Investment income:		
Net (decrease) increase in fair value of investments	$ (21,027)	$ 227,813

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used.

Level 1 Fair Value Measurements

The fair value of pooled separate accounts are based on quoted net asset values of the shares of money market funds and mutual funds net of investment management fees.

The Plan's investments (including investments bought, sold and held during the year) (depreciated) appreciated in value as follows:

	Year ended December 31,	
	2011	2010
Pooled separate accounts	$ (21,027)	$ 227,814

Individual investments that represent 5% or more of the net assets available for benefits are as follows at December 31, 2011 and 2010:

	2011		2010	
	Shares	Fair Value	Shares	Fair Value
Investment contract with insurance company - Pooled separate accounts:				
John Hancock Lifestyle Aggressive	----	----	5,575	$ 169,767
John Hancock Lifestyle Conservative	6,000	$ 238,628	5,797	$ 224,748
John Hancock Lifestyle Moderate	3,475	$ 128,652	23,597	$ 867,675
John Hancock Lifestyle Balanced	10,498	$ 358,625	19,870	$ 696,594
John Hancock Lifestyle Growth	8,669	$ 273,078	9,200	$ 306,335
John Hancock Money Market	112,721	$1,394,669	25,224	$ 314,721

4. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

5. Party-in-interest transactions

Certain Plan investments are shares of mutual funds managed by John Hancock Mutual Funds, a subsidiary of John Hancock Life Insurance Company (U.S.A.), the trustee; therefore, these investment transactions qualify as party-in-interest transactions.

6. Income tax status

The Internal Revenue Service has determined and informed the Company by a letter dated November 5, 2009, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. The plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provisions for income taxes have been included in the Plan's financial statements.

7. Administrative costs

Substantially all costs of administering the Plan are paid directly or reimbursed by the Company. The Company paid administrative expenses of approximately $13,000 for each year ended December 31, 2011 and 2010.

8. Risks and uncertainties

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

9. Fidelity Bond

ERISA requires that every person who handles funds or other property of a plan be bonded. The amount of the bond is equal to the lesser of 10% of the funds handled at the beginning of the Plan reporting period or $500,000. The Plan Sponsor carried a fidelity bond of $250,000 at the beginning of each Plan reporting period beginning January 1, 2011 and 2010. The fidelity bond was increased to $300,000 on October 6, 2011. The required amount of the bond was $262,763 and $223,170 for the Plan reporting periods beginning January 1, 2011 and 2010, respectively.

10. Subsequent Events

There were no subsequent events that require adjustment to the financial statements or disclosure in the financial statements. Subsequent events have been evaluated through October 2, 2012, which is the date the financial statements were available to be issued.

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
(PLAN NUMBER: 001, EMPLOYER IDENTIFICATION NUMBER: 59-2233851)
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date Rate of Interest, Collateral Par or Maturity Values	Current Value
		Investment contract with insurance company - Pooled separate accounts:	
*	John Hancock Life Insurance Company	JH Lifestyle Aggressive	$ 105,525
*	John Hancock Life Insurance Company	JH Lifestyle Balanced	358,625
*	John Hancock Life Insurance Company	JH Lifestyle Conservative	238,628
*	John Hancock Life Insurance Company	JH Lifestyle Growth	273,078
*	John Hancock Life Insurance Company	JH Lifestyle Moderate	128,652
*	John Hancock Life Insurance Company	Money Market Fund	1,394,669
*	John Hancock Life Insurance Company	Total Return Fund	28,505
*	John Hancock Life Insurance Company	US Government Security Fund	37,454
			$ 2,565,136

* Represents party-in-interest

Read accompanying notes to financial statements.

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
(PLAN NUMBER: 001, EMPLOYER IDENTIFICATION NUMBER: 59-2233851)
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010

	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date Rate of Interest, Collateral Par or Maturity Values	Current Value
		Investment contract with insurance company - Pooled separate accounts:	
*	John Hancock Life Insurance Company	Small Cap Growth	$ 1,757
*	John Hancock Life Insurance Company	Mid Cap Value	3,878
*	John Hancock Life Insurance Company	JH American Funds Growth Fund of America	1,942
*	John Hancock Life Insurance Company	JH Lifestyle Aggressive	169,767
*	John Hancock Life Insurance Company	JH Lifestyle Balanced	696,594
*	John Hancock Life Insurance Company	JH Lifestyle Conservative	224,748
*	John Hancock Life Insurance Company	JH Lifestyle Growth	306,335
*	John Hancock Life Insurance Company	JH Lifestyle Moderate	867,675
*	John Hancock Life Insurance Company	Money Market Fund	314,721
*	John Hancock Life Insurance Company	Short-Term Federal	16,439
*	John Hancock Life Insurance Company	Total Return Fund	12,458
			$ 2,616,314

* Represents party-in-interest

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
- ☒ a single-employer plan;
- ☐ a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
Q.G.S. DEVELOPMENT, INC. 401(k) PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1985

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

Q.G.S. DEVELOPMENT, INC.

P.O. DRAWER 108
17502 COUNTY ROAD 672
Lithia FL 33547-0108

2b Employer Identification Number (EIN) 59-2233851

2c Sponsor's telephone number 813-634-3326

2d Business code (see instructions) 238900

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	Donald Thomas	10/5/12	DONALD THOMAS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Donald Thomas	10/5/12	DONALD THOMAS
	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")
Q.G.S. Development, Inc.

P.O. DRAWER 108

Lithia FL 33547-0108

3b Administrator's EIN
59-2233851

3c Administrator's telephone number
813-634-3326

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**	123
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**	76
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	37
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	115
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	115
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	85
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 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) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
- (4) [ ] General assets of the sponsor

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

a Pension Schedules

- (1) [X] **R** (Retirement Plan Information)
- (2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) [ ] **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) [ ] **C** (Service Provider Information)
- (5) [X] **D** (DFE/Participating Plan Information)
- (6) [ ] **G** (Financial Transaction Schedules)

Form 5500

Department of the Treasury
Internal Revenue Service

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Employee Benefits Security Administration

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Annual Return/Report of Employee Benefit Plan

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OMB Nos. 1210-0110
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- ☒ Form 5558;
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Part II Basic Plan Information—enter all requested information

1a Name of plan
Q.G.S. DEVELOPMENT, INC. 401(k) PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1985

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

Q.G.S. DEVELOPMENT, INC.

P.O. DRAWER 108
17502 COUNTY ROAD 672
Lithia FL 33547-0108

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2c Sponsor's telephone number 813-634-3326

2d Business code (see instructions) 238900

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	Donald Thomas	10/5/12	DONALD THOMAS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Donald Thomas	10/5/12	DONALD THOMAS
	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")
Q.G.S. Development, Inc.

P.O. DRAWER 108

Lithia FL 33547-0108

3b Administrator's EIN
59-2233851

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- (4) [ ] General assets of the sponsor

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- (1) [ ] Insurance
- (2) [ ] Code section 412(e)(3) insurance contracts
- (3) [X] Trust
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- (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) [ ] **C** (Service Provider Information)
- (5) [X] **D** (DFE/Participating Plan Information)
- (6) [ ] **G** (Financial Transaction Schedules)

Schedule H, Line 4i

Schedule of Assets (Held At End of Year)

Name of Plan: Q.G.S. DEVELOPMENT, INC. 401(k) PLAN AND TRUST

Employer Identification Number:►	59-2233851		
For plan year (beginning/ending):►	31-Dec-11	Plan number:►	1

(a)	**(b)** Identity of issue, borrower, lessor, or similar party	**(c)** Description of investment including maturity date, rate of interest, collateral, par or maturity value	**(d)** Cost	**(e)** Current value
	JOHN HANCOCK LIFE INS. CO. USA	LIFESTYLE CONSERVATIVE		$ 238,627.84
	JOHN HANCOCK LIFE INS. CO. USA	LIFESTYLE MODERATE		128652
	JOHN HANCOCK LIFE INS. CO. USA	LIFESTYLE BALANCED		358625.47
	JOHN HANCOCK LIFE INS. CO. USA	LIFESTYLE GROWTH		273078.39
	JOHN HANCOCK LIFE INS. CO. USA	LIFESTYLE AGGRESSIVE		105525.16
	JOHN HANCOCK LIFE INS. CO. USA	THE GROWTH FUND OF AMERICA		0
	JOHN HANCOCK LIFE INS. CO. USA	COLUMBIA MID CAP VALUE		0
	JOHN HANCOCK LIFE INS. CO. USA	INV SMALL CAP GROWTH		0
	JOHN HANCOCK LIFE INS. CO. USA	MONEY MARKET		1394669.06
	JOHN HANCOCK LIFE INS. CO. USA	SHORT-TERM FEDERAL		37452.37
	JOHN HANCOCK LIFE INS. CO. USA	TOTAL RETURN		28505.41
				$ 2,565,135.70

Q.G.S. DEVELOPMENT, INC.
401(k) PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
DECEMBER 31, 2011 AND 2010

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Statements of net assets available for benefits	2
Statements of changes in net assets available for benefits	3
Notes to financial statements	4
Accompanying information to financial statements:	
Schedule of assets (held at end of year) as of December 31, 2011	9
Schedule of assets (held at end of year) as of December 31, 2010	10

SK

Sedita Kilton & Company
Certified Public Accountants, P.L.
104 N. Evers St Suite 202, Plant City, FL 33563

Independent Auditor's Report

Q.G.S. Development, Inc. 401(k) Plan
Lithia, Florida

I was engaged to audit the accompanying statements of net assets available for benefits of the Q.G.S. Development, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010 and the supplemental Schedules of Assets (Held at End of Year) as of December 31, 2011 and 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 3 which was certified by John Hancock Life Insurance Company (U.S.A.), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. I have been informed by the plan administrator that John Hancock Life Insurance Company (U.S.A.) held the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

Sedita Kilton

October 2, 2012

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets:		
Cash	$ 1,499	$ 11,317
Investment contract with insurance company, at fair value:		
Pooled separate accounts	2,565,136	2,616,314
Total Assets	2,566,635	2,627,631
Liabilities:		
Expenses payable	-	-
Net Assets Available for Plan Benefits	$ 2,566,635	$ 2,627,631

Read accompanying notes to financial statements.

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011 AND 2010

	Year Ended December 31, 2011	Year Ended December 31, 2010
Additions to net assets attributed to:		
Investment income:		
Net (decrease) increase in fair value of investments	$ (21,027)	$ 227,813
Other income	-	9,396
	(21,027)	237,209
Contributions:		
Employer	18,971	93,437
Participant	120,001	138,292
	138,972	231,729
Total additions	117,945	468,938
Deductions from net assets attributed to:		
Benefits paid to participants	175,149	9,119
Return of excess contributions	-	425
Administrative expenses	3,792	3,139
Net increase	(60,996)	456,255
Net assets available for benefits:		
Beginning of period	2,627,631	2,171,376
End of period	$ 2,566,635	$ 2,627,631

Read accompanying notes to the financial statements.

1. Plan description:

General:

The following is a summary of major Plan provisions of the Q.G.S. Development, Inc. 401(k) Plan (the "Plan"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan was established on November 1, 1985 as the Quality Grassing & Services, Inc. Profit Sharing Plan and was amended in fiscal 1987, 1997, 2003, 2004, 2006, 2008 and 2009. Effective September 8, 2003, the Plan name was changed to the Quality Grassing & Services, Inc. 401(k) Plan pursuant to the adoption of the deferral and matching 401(k) contribution arrangement. Effective November 1, 2003, the Plan changed its financial reporting and tax year end to December 31. Effective November 10, 2006, the Plan name was changed to QGS Development, Inc. 401(k) Plan. Effective January 1, 2010, the Plan became a safe harbor plan. Effective March 14, 2011, the Plan revoked the safe harbor provision.

Participation:

The Plan is a defined contribution plan covering all employees after attaining the age of twenty-one and meeting a one-year service requirement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions:

Participants may contribute up to 100% of pretax annual compensation subject to certain limitations, as defined, and participants direct the investment of their contributions in various investment options offered by the Plan.

Prior to January 1, 2010 and subsequent to March 14, 2011, the Plan provided for discretionary employer matching contributions.

Effective January 1, 2010, the Plan became a safe-harbor plan. The employer makes a safe-harbor matching contribution on behalf of each participant employed by the employer in an amount equal to 100% of the participant's elective deferrals up to 4% of the participant's compensation for each payroll period. Effective March 14, 2011, the Plan revoked the safe harbor provision.

The Plan also provides for discretionary employer profit sharing contributions that are only allocated to participants who have completed 1,000 hours of service and are employed on the last day of the plan year. Employer profit sharing contributions are allocated to participants based on a two-tiered allocation formula as described in the Plan document. Contributions are subject to certain limitations established by the Internal Revenue Code.

Participant accounts:

Each participant's account is credited with the participant's contribution and allocations of the employer's matching and profit sharing contributions, Plan earnings, and administrative

expenses. Employer contributions are credited to participant accounts based on specific allocations as previously described in "Contributions". Allocations of Plan earnings and administrative expenses are based on the individual account balance as a percent of total invested assets.

Vesting:

Participants are vested immediately in their contributions and actual earnings thereon. Prior to January 1, 2010 and subsequent to March 14, 2011, participants become vested in employer matching contributions as follows:

Years of Service	Vesting Percentage
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Additionally, participants become 100% vested upon normal retirement, death, or permanent disability.

Effective January 1, 2010 through March 14, 2011, a participant's vested interest in his safe-harbor matching contribution account is 100% regardless of the number of years of service.

Payment of benefits:

Upon termination of service due to termination of employment, death, disability or retirement, a participant or his estate may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments if the vested account balance exceeds $5,000. If the vested account balance is less than $5,000, a lump-sum distribution must be taken.

Forfeitures:

Forfeitures are used first to reduce the Plan's ordinary administrative expenses and are secondly used to reduce employer-matching contributions in the year the forfeiture occurs.

2. Summary of significant accounting policies:

Investment valuation and income recognition:

The Plan's investments (Note 3) are stated at fair value determined using the quoted closing or last bid prices on the last day of the Plan year. The value of the investments included under the Pooled Separate Accounts increase or decrease to reflect the investment experience of the money market funds, pooled funds and mutual funds. John Hancock does not guarantee the values of the investments included in the Pooled Separate Accounts. Purchases

and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Payment of benefits:

Benefits due to terminated participants are recorded when processed and approved for payment by the Plan.

Uses of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3. Investments (unaudited):

The following information included in the accompanying financial statements and accompanying schedules was obtained from data that has been prepared and certified to as complete and accurate by John Hancock Life Insurance Company (U.S.A.). This information has been certified by John Hancock Life Insurance Company (U.S.A.) as permitted by Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

	Year ended December 31,	
	2011	2010
Investment contract with insurance company, at fair value:		
Pooled separate accounts	$ 2,565,136	$ 2,616,314
Investment income:		
Net (decrease) increase in fair value of investments	$ (21,027)	$ 227,813

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used.

Level 1 Fair Value Measurements

The fair value of pooled separate accounts are based on quoted net asset values of the shares of money market funds and mutual funds net of investment management fees.

The Plan's investments (including investments bought, sold and held during the year) (depreciated) appreciated in value as follows:

	Year ended December 31,	
	2011	2010
Pooled separate accounts	$ (21,027)	$ 227,814

Individual investments that represent 5% or more of the net assets available for benefits are as follows at December 31, 2011 and 2010:

	2011		2010	
	Shares	Fair Value	Shares	Fair Value
Investment contract with insurance company - Pooled separate accounts:				
John Hancock Lifestyle Aggressive	----	----	5,575	$ 169,767
John Hancock Lifestyle Conservative	6,000	$ 238,628	5,797	$ 224,748
John Hancock Lifestyle Moderate	3,475	$ 128,652	23,597	$ 867,675
John Hancock Lifestyle Balanced	10,498	$ 358,625	19,870	$ 696,594
John Hancock Lifestyle Growth	8,669	$ 273,078	9,200	$ 306,335
John Hancock Money Market	112,721	$1,394,669	25,224	$ 314,721

4. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

5. Party-in-interest transactions

Certain Plan investments are shares of mutual funds managed by John Hancock Mutual Funds, a subsidiary of John Hancock Life Insurance Company (U.S.A.), the trustee; therefore, these investment transactions qualify as party-in-interest transactions.

6. Income tax status

The Internal Revenue Service has determined and informed the Company by a letter dated November 5, 2009, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. The plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provisions for income taxes have been included in the Plan's financial statements.

7. Administrative costs

Substantially all costs of administering the Plan are paid directly or reimbursed by the Company. The Company paid administrative expenses of approximately $13,000 for each year ended December 31, 2011 and 2010.

8. Risks and uncertainties

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

9. Fidelity Bond

ERISA requires that every person who handles funds or other property of a plan be bonded. The amount of the bond is equal to the lesser of 10% of the funds handled at the beginning of the Plan reporting period or $500,000. The Plan Sponsor carried a fidelity bond of $250,000 at the beginning of each Plan reporting period beginning January 1, 2011 and 2010. The fidelity bond was increased to $300,000 on October 6, 2011. The required amount of the bond was $262,763 and $223,170 for the Plan reporting periods beginning January 1, 2011 and 2010, respectively.

10. Subsequent Events

There were no subsequent events that require adjustment to the financial statements or disclosure in the financial statements. Subsequent events have been evaluated through October 2, 2012, which is the date the financial statements were available to be issued.

Q.G.S. DEVELOPMENT, INC. 401(k) PLAN
(PLAN NUMBER: 001, EMPLOYER IDENTIFICATION NUMBER: 59-2233851)
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

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*	John Hancock Life Insurance Company	JH Lifestyle Growth	273,078
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		Investment contract with insurance company - Pooled separate accounts:	
*	John Hancock Life Insurance Company	Small Cap Growth	$ 1,757
*	John Hancock Life Insurance Company	Mid Cap Value	3,878
*	John Hancock Life Insurance Company	JH American Funds Growth Fund of America	1,942
*	John Hancock Life Insurance Company	JH Lifestyle Aggressive	169,767
*	John Hancock Life Insurance Company	JH Lifestyle Balanced	696,594
*	John Hancock Life Insurance Company	JH Lifestyle Conservative	224,748
*	John Hancock Life Insurance Company	JH Lifestyle Growth	306,335
*	John Hancock Life Insurance Company	JH Lifestyle Moderate	867,675
*	John Hancock Life Insurance Company	Money Market Fund	314,721
*	John Hancock Life Insurance Company	Short-Term Federal	16,439
*	John Hancock Life Insurance Company	Total Return Fund	12,458
			$ 2,616,314

* Represents party-in-interest