

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1993</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1993</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1993</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>HARGROVE, INC.</u> <u>1 HARGROVE DR</u> <u>LANHAM, MD 20706-1804</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0697413</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>301-306-9000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>561490</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-0697413</u>	2c Sponsor's telephone number <u>301-306-9000</u>	2d Business code (see instructions) <u>561490</u>	
2b Employer Identification Number (EIN) <u>52-0697413</u>					
2c Sponsor's telephone number <u>301-306-9000</u>					
2d Business code (see instructions) <u>561490</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2012	SETH HENDERSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2012	SETH HENDERSON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HARGROVE, INC. 1 HARGROVE DR LANHAM, MD 20706-1804	3b Administrator's EIN 52-0697413 3c Administrator's telephone number 301-306-9000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	256
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	230
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	18
d Subtotal. Add lines 6a , 6b , and 6c	6d	248
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	248
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	193
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	7

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

2E 2F 2G 2J 2K 2S 2T

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

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

a Pension Schedules

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

b General Schedules

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

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

A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARGROVE, INC.	D Employer Identification Number (EIN) 52-0697413	

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

(a) Name of insurance carrier
PRINCIPAL 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
42-0127290	61271	435194	248	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
9587	7366

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

MML INSURANCE AGENCY LLC
 COMMISSIONS
 PO BOX 8088
 BOSTON, MA 02266-8088

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
9587	4089	REFERRAL/SERVICE FEE	3

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

MML INVESTORS SERVICES LLC
 PO BOX 8089
 C/O BFDS
 BOSTON, MA 02266-8089

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	3277	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	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	

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	3564790

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

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

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

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

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
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)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

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

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

A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARGROVE, INC.	D Employer Identification Number (EIN) 52-0697413

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
PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	37090	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

REGARDIE BROOKS & LEWIS

52-1038701

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT	17000	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
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name: REGARDIE, BROOKS & LEWIS	b EIN: 52-1038701
c Position: ACCOUNTANT	
d Address: 7101 WISCONSIN AVENUE SUITE 1012 BETHESDA, MD 20814	e Telephone: 301-654-9000

Explanation: MOVED TO ANOTHER ACCOUNTING FIRM.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>HARGROVE, INC.</u>	D Employer Identification Number (EIN) <u>52-0697413</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRINCIPAL STABLE VALUE FUND</u>			
b Name of sponsor of entity listed in (a): <u>UNION BOND & TRUST COMPANY</u>			
c EIN-PN <u>93-6274328-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>655665</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP VALUE SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-019</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>24442</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP VALUE SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-031</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>80044</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN U.S. PROPERTY SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-027</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>245126</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN BOND AND MORTGAGE SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-005</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>668430</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>115666</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>670009</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-043	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 139586
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-023	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 316682
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL GROWTH SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-064	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: PRIN LARGE CAP GROWTH II SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-067	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 151875
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-075	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10465
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-076	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 365289
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-077	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 250153
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-078	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 240844
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-079	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 160944
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16740

a Name of MTIA, CCT, PSA, or 103-12 IE: **PRIN PREF SECS SEP ACCT-R6**
b Name of sponsor of entity listed in (a): **PRINCIPAL LIFE INSURANCE COMPANY**

c EIN-PN 42-0127290-087	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 108496
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARGROVE, INC.</u>	D Employer Identification Number (EIN) <u>52-0697413</u>	

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)	755	838
(2) Participant contributions	1b(2)	9027	11448
(3) Other.....	1b(3)	0	0
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)	257495	244586
(9) Value of interest in common/collective trusts.....	1c(9)	694368	655665
(10) Value of interest in pooled separate accounts.....	1c(10)	3315076	3564790
(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)	2559176	2571678
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	6835897	7049005

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6835897	7049005
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	51732	
(B) Participants	2a(1)(B)	673349	
(C) Others (including rollovers)	2a(1)(C)	50155	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		775236

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)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	8177	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		8177

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	23113	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		23113

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(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)		12153
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		33356
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-118118
c Other income.....	2c		5
d Total income. Add all income amounts in column (b) and enter total.....	2d		733922

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	464148	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		464148
f Corrective distributions (see instructions)	2f		2577
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	9199	
(2) Contract administrator fees	2i(2)	44890	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		54089
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		520814

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		213108
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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **REGAN, RUSSELL, SCHNICKER & SHAH**

(2) EIN: **52-2154802**

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.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5b(1) Name of plan(s)

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

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

A Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARGROVE, INC.</u>	D Employer Identification Number (EIN) <u>52-0697413</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

**FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

AND

INDEPENDENT AUDITOR'S REPORT

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

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REGAN, RUSSELL, SCHICKNER & SHAH, LLC

C E R T I F I E D P U B L I C A C C O U N T A N T S

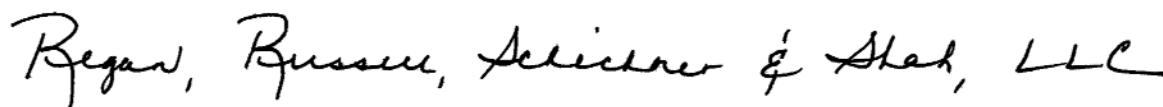
INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of the Hargrove, Inc. 401(k) Profit Sharing Plan:

We were engaged to audit the financial statements of Hargrove, Inc. 401(k) Profit Sharing Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedule as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by Principal Life Insurance Company, the trustee of the Plan, except for comparing the 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 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and 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 Income Security Act of 1974.



September 19, 2012

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Investments, at fair value:		
Investments, at fair value	<u>\$ 6,792,133</u>	<u>\$ 6,568,620</u>
Total investments	<u>6,792,133</u>	<u>6,568,620</u>
Receivables:		
Employer's contributions	838	755
Employees' salary deferral	11,448	9,027
Notes receivable from participants	<u>244,586</u>	<u>257,495</u>
Total receivables	<u>256,872</u>	<u>267,277</u>
Total assets	<u>7,049,005</u>	<u>6,835,897</u>
Net Assets Reflecting Investments at Fair Value	7,049,005	6,835,897
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(14,899)</u>	<u>(13,898)</u>
Net Assets Available for Benefits	<u><u>\$ 7,034,106</u></u>	<u><u>\$ 6,821,999</u></u>

See Independent Auditor's Report.

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

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011**

Additions to net assets attributed to:

Investment income:

Interest and dividend income	\$ 31,290
Net gain (loss) in fair value of investment	<u>(73,605)</u>
	<u>(42,315)</u>

Contributions:

Employer's contributions	51,732
Employees' salary deferral	673,349
Other contributions	<u>50,155</u>
	<u>775,236</u>
Total additions from net assets	<u>732,921</u>

Deductions from net assets attributed to:

Benefits paid to participants	464,148
Corrective distributions	2,577
Administrative fees	<u>54,089</u>
Total deductions from net assets	<u>520,814</u>

Net increase	212,107
--------------	---------

Net assets available for benefits:

Beginning of year	<u>6,821,999</u>
End of year	<u><u>\$ 7,034,106</u></u>

See Independent Auditor's Report.

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

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 1 – DESCRIPTION OF PLAN

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

General

The Plan is a defined contribution plan covering substantially all employees of the Company who have completed 90 consecutive days and have attained age twenty-one. It is subject to the requirements of the Employee Retirement Income Security Act (“ERISA”) of 1974. The Plan has a 401(k) salary deferral provision with a discretionary employer match and profit sharing contributions. The Plan’s assets are held by Principal Life Insurance Company, the Plan trustee.

Contributions

The maximum dollar amount each participant may contribute annually on a pre-tax basis is \$16,500 in 2011 as defined in the plan. Participants may contribute a minimum of 1% of compensation up to the \$16,500 maximum contribution limit in 2011. Additional contributions of up to \$5,500 in 2011 are allowed for participants who are over age fifty by December 31, 2011. For the year ended December 31, 2011, the Company elected to match participants with base salary not to exceed \$50,000. The Company matched 50% of every dollar contributed up to 4% of compensation that a participant contributes to the Plan, totaling \$51,732.

The profit sharing segment of the plan permits the Company to contribute to the plan at the discretion of the Board of Directors. For the year ended December 31, 2011, the Company did not elect to make a profit sharing contribution.

Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution and, (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

A participant becomes fully vested automatically, regardless of the vesting schedule, upon attainment of normal retirement age, upon retirement due to disability, upon death, and upon termination of the Plan.

The Plan defines normal retirement age as the attainment of age 65. Disability is defined as a physical or mental condition resulting from bodily injury, disease, or mental disorder which renders the participant incapable of continuing usual and customary employment with the employer.

Withdrawals and Benefits

Benefits are distributed upon termination, death, or disability in a single-sum cash payment or installment payments equal to the participant's vested interest in their account. For termination of service due to other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution.

Notes Receivable from Participants

Participants may take out a loan against their outstanding participant balance. Loans will be limited to the lesser of \$50,000 reduced by the excess of the highest outstanding balance of loans from the plan to the participant, or 50% of the present value of the non-forfeitable accrued benefit of the participant. The loans shall be made available to all participants and beneficiaries on a reasonable equivalent basis. Loans shall not be made to highly compensated employees in an amount greater than the amount made available to other participants and beneficiaries. Loans shall bear a reasonable rate of interest, be adequately secured, and provide repayment over a reasonable period of time.

Forfeited Accounts

Forfeited non-vested accounts are used to reduce plan expenses and future employer contributions. As of December 31, 2011 and 2010, forfeited non-vested accounts totaled \$11,132 and \$8,487, respectively.

NOTE 2 – ACCOUNTING POLICIES AND PROCEDURES

Date of Management's Review

Subsequent events were evaluated through September 19, 2012, which is the date the financial statements were available to be issued.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 2 – ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Use of Estimates

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

Basis of Accounting

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of as 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. The Statement 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.

Notes Receivable from Participants

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

Investment Valuation and Income Recognition

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

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

Payment of Benefits

Benefits are recorded when paid.

Administrative expenses

All expenses of administration may be paid out of the Plan unless paid by the Company.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 3 – INVESTMENTS

The following presents investments that are 5% or more of the Plan's net assets.

	December 31,	
	2011	2010
Principal Bond and Mortgage Separate Account	\$ 668,430	\$ 614,130
Principal LargeCap S&P 500 Index Separate Account	670,009	571,723
Principal Lifetime 2020 Separate Account	365,289	369,627
T. Rowe Price Small Cap Stock Fund	648,676	639,567
Vanguard Asset Allocation Fund	354,590	284,757
American Funds Europacific Growth R3 Fund	401,612	417,931
Principal Stable Value Fund	655,665	694,368

During 2011, the Plan's investment (including gains and losses on investments bought and sold as well as held during the year) depreciated in value by \$73,605 as follows:

Pooled separate accounts	\$ 33,360
Mutual funds	(118,117)
Collective investment trust	<u>11,152</u>
	<u>\$ (73,605)</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount 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.

The fair value measurement accounting literature 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 are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

The fair values of pooled separate accounts and collective investment trust are based on their net asset values (NAV) which are not publicly quoted. NAV are based on the marked values of the underlying investments which both observable Level 1 and Level 2 pricing inputs, including quoted prices for similar assets in active and no-active markets.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010.

	Fair Value Measurements at the End of the Reporting Period Using:		
	Fair Value	Level 1	Level 2
December 31, 2011:			
Pooled separate accounts	\$ 3,564,790	\$ -	\$ 3,564,790
Mutual funds	2,571,678	2,571,678	-
Collective investment trust	<u>655,665</u>	<u>-</u>	<u>655,665</u>
Total assets at fair value	<u>\$ 6,792,133</u>	<u>\$ 2,571,678</u>	<u>\$ 4,220,455</u>
December 31, 2010:			
Pooled separate accounts	\$ 3,315,076	\$ -	\$ 3,315,076
Mutual funds	2,559,176	2,559,176	-
Collective investment trust	<u>694,368</u>	<u>-</u>	<u>694,368</u>
Total assets at fair value	<u>\$ 6,568,620</u>	<u>\$ 2,559,176</u>	<u>\$ 4,009,444</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2011, are reported in net appreciation (depreciation) in fair value of investments.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 5 – INVESTMENT IN FULLY BENEFIT-RESPONSIVE CONTRACT

The Plan invests in a fully benefit-responsive investment contract (Principal Stable Value Fund) with Principal. Principal maintains the contributions in a general account. The account is credited with earnings on the underlying investments and is charged for participant withdrawals and administrative expenses. The contract is included in the statements of net assets available for benefits at fair value based on market values of underlying investments as determined using a combination of market approach discounting and discounted cash flow methods. The adjustment from fair value to contract value for the investment contract is based on the contract value as reported to the Plan by Principal. Contract value 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. 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 the portion of the net assets available for benefits attributable to the guaranteed investment contract.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was \$655,665 and \$694,368, respectively. An adjustment from fair value to contract value of \$(14,889) and \$(13,898) was recorded for the years ended December 31, 2011 and 2010, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, which guarantees a minimum 0% crediting rate. Such interest rates are reviewed on a monthly basis for resetting.

The average yields earned by the Plan on the guaranteed investment contract were as follows:

	Years ended December 31,	
	2011	2010
Average yield based on actual earnings	1.35%	1.95%
Average yield based on interest rate credited to participants	2.14%	2.81%

Certain events would limit the Plan's ability to transact at contract value with Principal. Such events include (but are not limited to) the following: Plan administration is amended or changed, merger or consolidation of investors, group terminations or layoffs, implementation of an early retirement program, termination or partial termination of the Plan, failure to meet certain tax qualifications, participant communication that is designed to influence participants not to invest in the Fund, transfers to competing options without meeting the equity wash provisions of the Fund, and Plan Sponsor withdrawals without the appropriate notice to the Fund and/or issuer. The Plan Administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with Plan participants, is probable.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 5 – INVESTMENT IN FULLY BENEFIT-RESPONSIVE CONTRACT (CONTINUED)

An issuer may terminate the investment contract upon the default by the Plan, advisor, or trustee if the issuer determines in its reasonable discretion, such event has had, or is likely to have a material adverse effect on the issuer's interest with respect to the contract. Such events include (but are not limited to) the following: management of the portfolios not in accordance with investment guidelines, a breach of any material obligation under the wrap agreement, any representation or warranty made by the Plan becomes untrue in any material way, a replacement of the fund advisor without prior consent of the issuer, the fund is terminated or ceases to qualify as a group trust, the Plan ceases to meet the appropriate tax qualifications, or the wrap becomes a prohibited transaction within the meaning of Section 406 of ERISA.

NOTE 6 – INVESTMENT IN ENTITIES THAT CALCULATE NAV PER SHARE

The following are the fair values of investments in entities that calculate NAV per share by major categories:

	December 31,	
	2011	2010
Balanced Assets Allocation ^(a)	\$ 1,044,434	\$ 1,016,587
Fixed Income ^(b)	1,022,052	949,846
Large U.S. Equity ^(c)	846,326	783,437
Short-term Fixed Income ^(d)	655,665	694,368
Small/Mid U.S. Equity ^(e)	536,312	406,823
International Equity ^(f)	115,666	158,383
	<u>\$ 4,220,455</u>	<u>\$ 4,009,444</u>

(a) Each of the pooled separate accounts in this category invests in a single mutual fund. The fair value of each mutual fund is a publicly quoted pricing input (Level 1) and is used in determining the NAV of each pooled separate account.

(b) Sixty-five percent (65%) of investments in this category are invested mainly in fixed securities such as asset-backed securities, residential mortgage-back securities, commercial mortgage-backed securities, corporate bonds, and government bonds. The majority of the underlying securities have observable Level 2 pricing inputs.

Eleven percent (11%) of investments in this category is invested in a single mutual fund, the fair value of which is publicly quoted pricing input.

Twenty-three percent (23%) of investments in this category are invested mainly in commercial real estate and include mortgage loans which are backed by the associated properties. These underlying real estate investments have observable Level 2 pricing inputs.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 6 – INVESTMENT IN ENTITIES THAT CALCULATE NAV PER SHARE (CONTINUED)

- (c) This category invests mainly either in a single mutual fund or in domestic stocks. The fair value of the mutual fund is a publicly quoted pricing input while the majority of the underlying securities of domestic stocks have observable Level 1 pricing inputs.
- (d) This category invests in synthetic investment contracts comprised of both underlying investment and contractual components which are observable Level 1 and Level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets.
- (e) This category invests mainly either in a single mutual fund or in domestic stocks. The fair value of the mutual fund is a publicly quoted pricing input while the majority of the underlying securities of domestic stocks have observable Level 1 pricing inputs.
- (f) This category invests in a single mutual fund. The fair value of the mutual fund is a publicly quoted pricing input (Level 1) and is used in determining the NAV of the pooled separate account.

Investments categorized in the proceeding table are the Plan's investments in pooled separate accounts and in a collective investment trust. These pooled separate accounts and collective investment trust can be redeemed at NAV as of the measurement date and can be redeemed on a daily basis. There are no unfunded commitments as of December 31, 2011 and 2010 since unfunded commitments are not applicable to pooled separate accounts and collective investment trusts.

NOTE 7 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of Plan termination, participants would become fully vested in their accounts.

NOTE 8 – TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 22, 2003 that the Plan and related trust are designed in accordance with applicable sections of the IRC. In addition, the Plan administrator believes that the Plan is currently being operated 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 financial statements.

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

NOTE 9 – RELATED PARTY TRANSACTION

Certain Plan investments are shares of mutual funds managed by Principal Life Insurance Company. Principal Life Insurance Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$54,089 for the year ended December 31, 2011.

NOTE 10 – RISKS AND UNCERTAINTIES

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

NOTE 11 – CERTIFIED INFORMATION

The following information included in the financial statements and supplemental schedule were certified by Principal Life Insurance Company.

- Investments
- Investment Income
- Schedule of Assets Held for Investment Purposes
- Notes receivable from Participants

NOTE 12 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

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

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 7,034,106	\$ 6,821,999
Adjustment from fair value to contract value for fully benefit-responsive investment contract	<u>14,899</u>	<u>13,898</u>
Net Assets available for benefits per Schedule H of Form 5500.	<u>\$ 7,049,005</u>	<u>\$ 6,835,897</u>

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 12 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500 (CONTINUED)

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

	<u>2011</u>
Net increase in plan assets per the financial statements	\$ 212,107
Change in adjustment from fair value to contract value for fully benefit-responsive investment contract	<u>1,001</u>
Net increase in plan assets per Form 5500	<u>\$ 213,108</u>

ACCOMPANYING INFORMATION

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES DECEMBER 31, 2011

Schedule H, Part IV, line 4i - Schedule of Assets (Held at End of Year)

	<u>Cost**</u>	<u>Current Value</u>
* Principal Lifetime 2040 Separate Account	\$ -	\$ 240,844
* Principal Lifetime 2050 Separate Account	-	160,944
* Principal Mid Cap S&P 400 Index Separate Account	-	316,682
* Principal Partner MidCap Value I Separate Account	-	139,586
* Principal Preferred Securities Separate Account	-	108,496
* Principal SmallCap Value Separate Account	-	80,044
* Principal U.S. Property Separate Account	-	245,126
* Principal Diversified International Separate R6 Ac	-	115,666
* Principal Bond and Mortgage Separate Account	-	668,430
* Principal Partner LargeCap Growth II Separate Acco	-	151,875
* Principal LargeCap S&P 500 Index Separate Account	-	670,009
* Principal LargeCap Value Separate Account	-	24,442
* Principal Lifetime Strategic Income Separate Accou	-	16,740
* Principal Lifetime 2010 Separate Account	-	10,465
* Principal Lifetime 2020 Separate Account	-	365,289
* Principal Lifetime 2030 Separate Account	-	250,152
* Principal International Growth Separate Account	-	51,129
Prudential Jennison Small Company A Fund	-	648,676
Vanguard Asset Allocation Fund	-	354,590
Vanguard Explorer Fund	-	118,482
Vanguard Growth and Income Fund	-	244,121
American Century Vista Advantage Fund	-	42,256
American Funds Europacific Growth R3 Fund	-	401,612
American Funds Growth Fund of America R3 Fund	-	248,540
American Century Value Investment Fund	-	258,824
American Funds New Perspective R3 Fund	-	23,272
American Century Diversified Bond A Fund	-	7,149
Fidelity Advisor Value Strategies I Fund	-	173,027
* Principal Stable Value Fund	-	655,665
	<u>\$ -</u>	<u>\$ 6,792,133</u>

* Denotes party-in-interest.

** All investments are participant directed so cost information is not required.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

EIN 52 0697413
 PLAN NUMBER 001
 PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	American Century Investments	Registered Investment Company Am Cent Vista A Fund	\$ 0.00	\$ 42,255.79
	American Funds Service Company	Registered Investment Company Am Fds EuroPacific Grth R3 Fd	\$ 0.00	\$ 401,612.48
	The American Funds	Registered Investment Company Am Fds Grth Fd of Am R3 Fund	\$ 0.00	\$ 248,539.82
	American Century Investments	Registered Investment Company Amer Cent Value Inv Fund	\$ 0.00	\$ 258,824.20
	American Funds Service Company	Registered Investment Company AM FDS NEW PERSP R3 FUND	\$ 0.00	\$ 23,271.50
	American Century Investments	Registered Investment Company AMER CENT DIV BOND A FD	\$ 0.00	\$ 7,148.53
	Fidelity Investments	Registered Investment Company Fidelity Adv Value Str I Fund	\$ 0.00	\$ 173,027.09
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R6	\$ 0.00	\$ 668,430.01
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth II SA-R6	\$ 0.00	\$ 151,874.80
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	\$ 0.00	\$ 670,009.23
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap Value Sep Acct-R6	\$ 0.00	\$ 24,442.46
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R6	\$ 0.00	\$ 16,740.31
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R6	\$ 0.00	\$ 10,464.66
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R6	\$ 0.00	\$ 365,288.88
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R6	\$ 0.00	\$ 250,152.57

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

EIN 52 0697413
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R6	\$ 0.00	\$ 240,844.05
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R6	\$ 0.00	\$ 160,943.57
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-R6	\$ 0.00	\$ 316,681.77
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Value I SA-R6	\$ 0.00	\$ 139,586.10
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Pref Secs Sep Acct-R6	\$ 0.00	\$ 108,495.59
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Value Sep Acct-R6	\$ 0.00	\$ 80,044.07
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	\$ 0.00	\$ 245,125.98
*	Union Bond & Trust Company	Common/Collective Trust Principal Stable Value Fund	\$ 0.00	\$ 655,665.00
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN DIVERSIFIED INTL SA-R6	\$ 0.00	\$ 115,666.17
	Jennison Dryden	Registered Investment Company PRUDENTIAL JENN SM CO A FUND	\$ 0.00	\$ 51,128.80
	T. Rowe Price Funds	Registered Investment Company T Rowe Price Sm-Cap Stock Fund	\$ 0.00	\$ 648,675.88
	Vanguard Group	Registered Investment Company Vanguard Asset Allocation Fund	\$ 0.00	\$ 354,590.28
	Vanguard Group	Registered Investment Company Vanguard Explorer Fund	\$ 0.00	\$ 118,482.29
	Vanguard Group	Registered Investment Company Vanguard Growth & Income Fund	\$ 0.00	\$ 244,121.21
	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 8.25%	\$ 0.00	\$ 244,586.00