

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

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>FOLIAGE, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>02/01/1992</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>FOLIAGE, INC.</u> <u>168 MIDDLESEX TURNPIKE</u> <u>BURLINGTON, MA 01803</u>	2b Employer Identification Number (EIN) <u>04-3159004</u> 2c Sponsor's telephone number <u>781-993-5500</u> 2d Business code (see instructions) <u>541511</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>ANGELA WANG</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FOLIAGE, INC. 168 MIDDLESEX TURNPIKE BURLINGTON, MA 01803	3b Administrator's EIN 04-3159004 3c Administrator's telephone number 781-993-5500
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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	130
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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	109
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	48
d Subtotal. Add lines 6a , 6b , and 6c	6d	157
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	157
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	157
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	8

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

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

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

A Name of plan FOLIAGE, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 FOLIAGE, INC.	D Employer Identification Number (EIN) 04-3159004

Part I	Service Provider Information (see instructions)
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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
SEI TRUST COMPANY

06-1271230

(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)

HARTFORD RETIREMENT SERVICES, LLC

26-1589907

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 49 50 59 60 62 63 64 65 72 99	N/A	45	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

MORNINGSTAR ASSOCIATES, LLC

36-4317381

(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?
49	N/A	0	Yes ☒ No ☐	Yes ☐ No ☒	44	Yes ☐ No ☒

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

RELIANCE TRUST COMPANY

58-1428634

(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?
19 99 25	N/A	0	Yes ☒ No ☐	Yes ☐ No ☒	704	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)

GPC SECURITIES, INC.

58-1517899

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 64 65	N/A	0	Yes ☒ No ☐	Yes ☐ No ☒	4244	Yes ☐ No ☒

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

LPL FINANCIAL LLC

95-2834236

(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?
55	N/A	0	Yes ☒ No ☐	Yes ☐ No ☒	20436	Yes ☐ No ☒

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
HARTFORD RETIREMENT SERVICES, LLC	52 59 60 62 63	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>SEE FEE AND COMPENSATION REPORT</p> <p>26-1589907</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>MORNINGSTAR ASSOCIATES, LLC</p>		
	49	44
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>HARTFORD LIFE INSURANCE COMPANY</p> <p>06-0974148</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>RELIANCE TRUST COMPANY</p>		
	19 99 25	704
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>HARTFORD RETIREMENT SERVICES, LLC</p> <p>26-1589907</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT</p>		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
GPC SECURITIES, INC.	15 64 65	4244

(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.
HARTFORD RETIREMENT SERVICES, LLC 26-1589907	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL LLC	55	20436

(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.
HARTFORD SECURITIES DISTRIBUTION CO 06-1408044	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

(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: PARENT, MCLAUGHLIN & NANGLE, CPA	b EIN: 04-2603383
c Position: AUDITOR	
d Address: 160 FEDERAL STREET BOSTON, MA 02110	e Telephone: 617-426-9440

Explanation: THERE WERE NO MATERIAL DISPUTES OR MATTERS OF DISAGREEMENT CONCERNING THE TERMINATION, EVEN IF RESOLVED PRIOR TO THE TERMINATION.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

a Name 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
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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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 <div style="font-size: 24pt; font-weight: bold;">2011</div> 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 FOLIAGE, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 FOLIAGE, INC.	D Employer Identification Number (EIN) 04-3159004	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	209882	198873
	(9) Value of interest in common/collective trusts.....	1c(9)	1402158	1380704
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	11938965	12999017
	(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	13551005	14578594

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13551005	14578594
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	334659	
(B) Participants	2a(1)(B)	1338322	
(C) Others (including rollovers)	2a(1)(C)	434157	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2107138
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)	12929	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		12929
(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)	313547	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		313547
(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)		9041
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-648246
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1794409

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	766775	
(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)		766775
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	45	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		45
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		766820

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1027589
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):
 (1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

c Enter the name and EIN of the accountant (or accounting firm) below:
 (1) Name: KATZ, NANNIS & SOLOMON, PC (2) EIN: 04-2887211

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	
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	
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	
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	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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.		X	

- 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>FOLIAGE, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FOLIAGE, INC.</u>	D Employer Identification Number (EIN) <u>04-3159004</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
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>06-0974148</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

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

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

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): _____

Foliage, Inc. 401(k) Plan

*Financial Statements and
Supplemental Schedule*

December 31, 2011 and 2010

Foliage, Inc. 401(k) Plan
Financial Statements and Supplemental Schedule
December 31, 2011 and 2010
Contents

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FIRST NEEDHAM PLACE
250 FIRST AVENUE • SUITE 101
NEEDHAM • MA • 02494-2805
WEB WWW.KNSCPA.COM
EMAIL KNS@KNSCPA.COM
TELEPHONE 781.453.8700
FAX 781.453.8778

K A T Z
N A N N I S +
SOLOMON, P C
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS + ADVISORS

Independent Auditors' Report

To the Trustees and Participants
Foliage, Inc. 401(k) Plan
Burlington, Massachusetts

We were engaged to audit the financial statements and supplemental schedule of Foliage, Inc. 401(k) Plan (the "Plan") as of December 31, 2011, and for the year then ended, as listed in the accompanying index. These financial statements and schedule are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2010, were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Reliance Trust Company, the custodian of the Plan. Their report, dated September 26, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were 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.

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 C, which was certified by Reliance Trust Company, the custodian 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 year ended December 31, 2011, 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.

Katz, Nannis + Solomon, P.C.

October 4, 2012
Needham, Massachusetts

Foliage, Inc. 401(k) Plan
Statements of Net Assets Available for Plan Benefits
December 31,

	2011	2010
Assets		
Investments, at Fair Value		
Mutual funds	\$ 12,999,017	\$ 11,938,965
Common and collective trust	1,378,453	1,369,067
Total Investments, at Fair Value	14,377,470	13,308,032
Receivables		
Notes receivable from participants	198,873	209,882
Total Assets	14,576,343	13,517,914
Liabilities		
Accrued administrative expenses	9,088	-
Net Assets Reflecting Investments at Fair Value	14,567,255	13,517,914
Adjustment from fair value of fully benefit-responsive investment contract to contract value	2,251	33,091
Net Assets Available for Plan Benefits	\$ 14,569,506	\$ 13,551,005

See accompanying notes.

Foliage, Inc. 401(k) Plan
Statements of Changes in Net Assets Available for Plan Benefits
Years Ended December 31,

	2011	2010
Additions to Net Assets Attributed to		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (639,205)	\$ 1,163,333
Interest and dividends	326,476	293,901
Other income	-	1,956
Net Investment Income (Loss)	(312,729)	1,459,190
Contributions		
Employer	334,659	264,682
Participants' deferrals	1,338,322	1,058,491
Participants' rollovers	434,157	20,918
Total Contributions	2,107,138	1,344,091
Total Additions	1,794,409	2,803,281
Deductions from Net Assets Attributed to		
Benefits paid to participants	766,775	171,188
Administrative expenses	9,133	8,898
Total Deductions	775,908	180,086
Net Increase in Net Assets Available for Plan Benefits	1,018,501	2,623,195
Net assets available for plan benefits, beginning of year	13,551,005	10,927,810
Net Assets Available for Plan Benefits, End of Year	\$ 14,569,506	\$ 13,551,005

See accompanying notes.

A. Description of Plan

The following description of the Foliage, Inc. 401(k) Plan (the "Plan") provides only general information. A more complete description of the Plan's provisions is in the Plan Agreement.

1. General - The Plan is a defined contribution plan covering substantially all employees of Foliage, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Hartford Retirement Services, LLC was the plan administrator and recordkeeper for the years ended December 31, 2011 and 2010.

On July 1, 2011, the Plan changed its name from Foliage Software Systems, Inc. 401(k) to the Foliage, Inc. 401(k) Plan. In addition, the Plan added an automatic enrollment feature unless participants elect out of the Plan in accordance with the amendment.

2. Eligibility - Substantially all employees of the Company are eligible to participate in the Plan upon attaining age 21. Employees become a participant in the Plan on the earlier of January 1st, April 1st, July 1st, or October 1st after satisfying the age requirement.
3. Contributions - Participants may elect to defer a percentage of their pretax annual compensation as defined in the Plan, subject to maximum limits set by the Internal Revenue Code ("IRC"). Participants may also elect to make voluntary after-tax contributions to the Plan, subject to the provisions of the IRC. Participants may also contribute distributions from other qualified retirement plans ("rollovers").

The Company's contributions to the Plan are determined by its Board of Directors but the amounts contributed cannot exceed the maximum amounts permissible under the provisions of the IRC. Employees' salary deferred contributions may be matched by the Company in accordance with the provisions of the Plan. In addition, the Company may make a discretionary contribution to the Plan. There were no discretionary contributions to the Plan for the years ended December 31, 2011 and 2010.

4. Participant accounts - Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contributions, (b) the Company's discretionary contribution, if any, and (c) Plan net investment earnings. Allocations are based on participant compensation or account balances, as defined in the Plan Agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
5. Vesting - Participants are fully vested in their own contributions and related earnings. Vesting of Company matching contributions and discretionary contribution, if any, and earnings thereon, is based on years of continuous service. A participant is 100% vested after three years of continuous service as defined in the Plan, or upon permanent disability or death.

A. Description of Plan (continued)

6. Payment of benefits - Upon retirement or disability, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum amount. Terminated participants may elect to receive a lump-sum amount equal to the value of the vested account or may elect to leave such amount invested in the Plan. The Plan may also automatically distribute to terminated participants their entire vested account balance not exceeding \$1,000 (involuntary cash-out). Upon death, a lump sum amount or substantially equal installments is paid to the participant's beneficiary.
7. Notes receivable from participants - Participants may borrow a minimum of \$1,000 and up to the lesser of \$50,000 or 50% of their vested interest in the Plan. Loans are secured by the vested balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are repaid ratably through payroll deductions.
8. Plan termination - Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, the accrued benefits of participants become fully vested and non-forfeitable.
9. Forfeitures - At December 31, 2011 and 2010, forfeited non-vested accounts amounted to \$13,503 and \$6,824, respectively. These accounts may be used to pay administrative expenses, and then any remaining amount will be allocated to eligible participants, as defined. For the years ended December 31, 2011 and 2010, administrative expenses were reduced by \$45 and \$8,898, respectively, from forfeited non-vested accounts.

B. Summary of Significant Accounting Policies

1. Basis of accounting - The accompanying financial statements are prepared on the accrual basis.
2. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
3. Investment valuation and income recognition - The Plan's investments are stated 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. The Plan's interest in the collective trust is based on the fair value of the collective trust's underlying investments as based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. 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.

B. Summary of Significant Accounting Policies (continued)

3. Investment valuation and income recognition (continued) - As described in U.S. GAAP, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a collective trust. Contract value for this collective trust is based on the net asset value of the fund as reported by the investment advisor. As required by U.S. GAAP, the Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis
4. Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.
5. Benefits paid - Benefits are recorded when paid.
6. Administrative expenses - Administrative expenses relating to the Plan which are not paid by forfeited accounts are paid by the Company. However, certain expenses, including loan processing fees, are paid for by the individual participant.
7. Subsequent events - The Plan administrator has evaluated all subsequent events through October 4, 2012, the date the financial statements were available to be issued.

C. Investments

All investment information disclosed in the accompanying financial statements, including fair value of investments held at December 31, 2011 and 2010, and net appreciation in fair value of investments, and interest and dividend income for the years ended December 31, 2011 and 2010, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Reliance Trust Company.

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

C. Investments (continued)

The following represents participant directed investments at December 31, 2011 and 2010, that represent 5% or more of the Plan's net assets.

	<u>2011</u>	<u>2010</u>
Fixed Fund	\$ 1,380,704	\$ 1,402,158
Dreyfus Basic S&P 500 Index Fund	942,684	722,704
American Funds Growth Fund	826,834	951,344
Columbia Acorn Fund	1,249,212	1,377,403
Davis New York Venture Fund	826,756	914,094
MFS Growth Allocation Fund	1,450,992	1,123,193
MFS International Diversification	844,007	831,294
Harbor Capital Appreciation	806,211	764,590
PIMCO Total Return Institutional	2,016,525	1,509,372

D. Fair Value Measurements

U.S. GAAP 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, Level 2 inputs consists of quoted prices in markets that are not considered to be active, and Level 3 inputs consist of prices or valuations that require significant unobservable inputs. 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. Level 2 inputs were only used when Level 1 inputs were not available, and no Level 3 inputs were used by the Plan.

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the level 2 input must be observable for substantially the full term of the asset or liability.

D. Fair Value Measurements (continued)

Level 3 Fair Value Measurements

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

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

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

Mutual Funds - Valued at the net asset value (NAV) of shares held by the Plan at year end. This includes registered investment companies and money market funds.

Common and Collective Trust - Valued at fair value of the common trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the common trust fund at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, 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 different fair value measurements at the reporting date.

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

Assets at Fair Value as of December 31, 2011

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>
Mutual Funds:					
Growth funds	\$ 5,444,665	\$	-	\$	5,444,665
International funds	2,030,338		-		2,030,338
Bonds	2,492,778		-		2,492,778
Blend funds	1,914,823		-		1,914,823
Value funds	1,044,540		-		1,044,540
Technology funds	71,873		-		71,873
Common and collective trust	-		<u>1,378,453</u>		<u>1,378,453</u>
	\$ <u>12,999,017</u>	\$	<u>1,378,453</u>	\$	<u>14,377,470</u>

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

D. Fair Value Measurements (continued)

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Mutual Funds:			
Growth funds	\$ 5,130,976	\$ -	\$ 5,130,976
International funds	2,194,732	-	2,194,732
Bonds	1,852,714	-	1,852,714
Blend funds	1,637,181	-	1,637,181
Value funds	1,061,415	-	1,061,415
Technology funds	61,947	-	61,947
Common and collective trust	-	<u>1,369,067</u>	<u>1,369,067</u>
	\$ <u>11,938,965</u>	\$ <u>1,369,067</u>	\$ <u>13,308,032</u>

There are no level 3 investments as of December 31, 2011 and 2010.

E. Risks and Uncertainties

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

F. Exempt Party-In-Interest Transactions

Plan investments are sponsored by Hartford Retirement Services, LLC, which has custody of the investment assets of the Plan, therefore, these transactions qualify as party-in-interest transactions.

G. Tax Status

The Plan obtained its latest determination letter dated March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed was in compliance with certain Section 401(a) requirements of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator and the plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

G. Tax Status (continued)

The Plan identifies, recognizes, measures and discloses in its financial statements the effects of any uncertain tax positions that it has taken or expects to take. The Plan recognizes a liability when, despite the Plan's belief that its tax return positions are supportable, it is possible that certain positions may not be fully sustained upon review of tax authorities. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences impact income tax expense in the period in which such determination is made. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

The Plan administrator has analyzed the Plan's tax positions taken for all open federal tax years and has concluded that no provision for uncertain tax position is required in the Plan's financial statements.

H. Fully Benefit-Responsive Investment Contract

The Plan has a benefit-responsive investment contract with the Fixed Fund. The Fixed Fund maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at fair value as reported to the Plan by the Fixed Fund. 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 of a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuers or otherwise. The average yields representing annualized earnings of all investments were approximately 1.66% and 2.33% for 2011 and 2010, respectively. The average crediting interest rates were approximately 1.17% and 1.49% for 2011 and 2010, respectively.

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

I. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of financial statement amounts to Form 5500:

	<u>Statement of Changes in Net Assets Available for Plan Benefits</u>		<u>Statement of Net Assets Available for Plan Benefits</u>	
<u>December 31, 2011</u>	<u>Administrative Expenses</u>	<u>Net Increase/ (Decrease)</u>	<u>Common/ Collective Trust</u>	<u>Net Assets Available for Plan Benefits</u>
Per the accompanying financial statements	\$ 9,133	\$ 1,018,501	\$ 1,378,453	\$ 14,569,506
Amounts recorded as accrued administrative expenses in 2011 for accrual basis financial statement	(9,088)	9,088	-	9,088
Adjustment of fair value of fully benefit-responsive investment contract to contract value	<u>-</u>	<u>-</u>	<u>2,251</u>	<u>-</u>
Per Form 5500	\$ <u>45</u>	\$ <u>1,027,589</u>	\$ <u>1,380,704</u>	\$ <u>14,578,594</u>

Foliage, Inc. 401(k) Plan
Schedule H, Line 4i-Schedule of Assets (Held at End of Year)
December 31, 2011
EIN # 04-3159004
Plan # 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
***	Fixed Fund	CCT	** \$	1,380,704
	Dreyfus Midcal Index	Mutual Fund	**	145,383
	Dreyfus Basic S&P 500 Index Fund	Mutual Fund	**	942,684
	American funds Europacific Fund	Mutual Fund	**	334,600
	American Funds Growth Fund	Mutual Fund	**	826,834
	American Funds Cap Wld Growth and Income	Mutual Fund	**	429,962
	Columbia Acorn Fund	Mutual Fund	**	1,249,212
	Davis New York Venture Fund	Mutual Fund	**	826,756
	MFS Moderated Allocation Fund	Mutual Fund	**	265,822
	MFS Growth Allocation Fund	Mutual Fund	**	1,450,992
	MFS Conservative Allocation	Mutual Fund	**	561,424
	MFS Aggressive Frowth Allocation	Mutual Fund	**	284,170
	MFS Interantioal Diversification	Mutual Fund	**	844,007
	Allianz NFJ Dividend Value Fund	Mutual Fund	**	506,539
	Allianz RCM Technology Fund	Mutual Fund	**	71,873
	Franklin Small Cap Value	Mutual Fund	**	538,001
	Harbor Captial Appreciation	Mutual Fund	**	806,211
	Lazard Emerging Markets	Mutual Fund	**	421,769
	PIMCO Low Duration Fund	Mutual Fund	**	476,253
	PIMCO Total Return Institutional	Mutual Fund	**	2,016,525
*	Participant loans	4.25% - 10.50%	-0-	198,873
Total			\$	14,578,594

* Party in interest

** The cost of participant directed investments is not required to be disclosed.

*** Represents contract value. Their fair value of this investment was \$1,378,453 as of December 31, 2011.

Fee and Compensation Disclosure Report

This document is intended to assist a plan administrator (“you”) in completing the Form 5500 Schedule C¹ by identifying different types of compensation paid with respect to the Hartford product utilized by your plan.

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

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

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

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

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

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

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

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

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

FOLIAGE, INC. 401(K) PLAN (110523535)
EIN #: 04-3223793

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

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

Total Direct Compensation Paid **\$45.00**

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

Recipient: Hartford Retirement Services, LLC EIN: 26-1589907

Service Codes: 15, 37, 38, 49, 59, 60, 62, 63, 64, 65, 72, 99, 50 (if direct compensation amount reflected below)

Direct Compensation **\$45.00**

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

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

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

Indirect Compensation

Float compensation	Payor: Reliance Trust Company	EIN: 58-1428634	\$17.65
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This is an estimate based on the average annual rate of float compensation (0.0712% for 2011) earned on certain processing bank accounts for the 2011 calendar year multiplied by an estimate of the assets related to uncashed checks*. This estimate does not include float earned for any other reason (e.g., if amounts remitted to The Hartford cannot be immediately invested because they are not in good order). Please review or request a copy of the current float disclosure for more information about the other circumstances in which float is earned.

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

Non Monetary Compensation

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

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

Compensation paid with respect to Funds

<i>Investment Option Name</i>	<i>EIN</i>	<i>Rate of Fees and Payments Received By Hartford with Respect to the Fund* (rates as of 12/31/2011)</i>	<i>Total Fund Annual Operating Expenses (Fund Expense Ratio) (as of 12/31/2011)</i>
ALLIANZ NFJ DIVIDEND VALUE FD-A	33-0457728	0.50% x assets	1.06%
ALLIANZ RCM TECHNOLOGY FUND-A	33-0457728	0.50% x assets	1.60%
AMERICAN FUNDS CAP WLD GR&INC-R4	95-1411037	0.35% x assets	0.81%
AMERICAN FUNDS EUROPACIFIC-R4	95-1411037	0.35% x assets	0.85%
AMERICAN FUNDS GROWTH FUND-R4	52-0792143	0.35% x assets	0.68%
COLUMBIA ACORN FUND-A	36-2692100	0.50% x assets	1.07%
DAVIS NEW YORK VENTURE FUND-A	13-2601967	0.35% x assets plus \$12/participant	0.89%
DREYFUS BASIC S&P 500 INDEX FD-A	13-4024319	0.15% x assets	0.21%
DREYFUS MIDCAP INDEX	13-3618129	0.15% x assets	0.51%
FIXED FUND-INSTITUTIONAL	23-2177800		0.00%
FRANKLIN SMALL CAP VALUE-A	13-3151768	0.35% x assets plus \$16/participant	1.21%
HARBOR CAPITAL APPRECIATION-INV	34-1953393	0.35% x assets	1.05%
LAZARD EMERGING MARKETS OPEN	20-0169148	0.40% x assets plus \$16/participant	1.49%
MFS AGGRESS GROWTH ALLOCATION-R3	04-3158862	0.63% x assets	0.32%
MFS CONSERVATIVE ALLOCATION-R3	04-3158862	0.63% x assets	0.31%
MFS GROWTH ALLOCATION FUND-R3	04-3158862	0.63% x assets	0.30%
MFS INTERNATL DIVERSIFICATION-R3	04-3158862	0.63% x assets	0.29%
MFS MODERATE ALLOCATION FUND-R3	04-3158862	0.63% x assets	0.30%
PIMCO LOW DURATION FUND-A	33-0629048	0.40% x assets	0.85%
PIMCO TOTAL RETURN INSTL	33-0629048	0.15% x assets	0.46%

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

* Please note that Hartford Retirement Services, LLC's affiliate, Hartford Securities Distribution Company, Inc., receives the sales compensation (12b-1 fees) portion of this amount. After compensating the plan's broker-dealer firm, if applicable, any residual amount is paid to Hartford Retirement Services, LLC.

Recipient: LPL FINANCIAL LLC EIN: 95-2834236

Service Codes:

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

Direct Compensation

\$0.00

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

Indirect Compensation

*** Sales commission** Payor: Hartford Securities Distribution Company, Inc. EIN: 06-1408044 **\$20,435.90**

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

Non Monetary Compensation

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

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

Recipient: GPC Securities, Inc. EIN: 58-1517899

Service Codes: 15, 64, 65

Indirect Compensation

Transaction Processing Services Payor: Hartford Retirement Services, LLC EIN: 26-1589907 **\$4,244.01**

GPC Securities, Inc. performed recordkeeping and trading functions through August 22, 2011. These activities were transferred to Hartford Securities Distribution Company, Inc. ("HSD") on August 23, 2011. HSD is a broker-dealer registered with the Securities and Exchange Commission which executes, clears and settles the Plan's purchase, exchange and redemption of shares or units in the funds on an agency basis. It is a wholly-owned affiliate of Hartford Retirement Services, LLC. More information is available in the Fund Fee Disclosure Notice for Retirement Plan Fiduciaries which accompanies the HSD Securities Account Agreement.

This is an estimate based on multiplying actual 2011 month end assets by 0.045%/12 for months January through August and then summing the results.

Recipient: Morningstar Associates, LLC EIN: 36-4317381

Service Code: 49

Indirect Compensation

"Managed by You" services fee Payor: Hartford Life Insurance Company EIN: 06-0974148 **\$43.60**

This is an estimate determined by dividing a flat annual fee paid to Morningstar by the number of plans to whom this feature is made available.

Recipient: Reliance Trust Company EIN: 58-1428634

Indirect Compensation

Custodial/Trust service fee **\$703.89**
Service Codes: 19, 25, 99

Payors: Hartford Life Insurance Company EIN: 06-0974148
Hartford Retirement Services, LLC EIN: 26-1589907

This is an estimate based on multiplying actual 2011 month end assets by 0.005%/12 and then summing the results.

Direct Revenue Detail

Recipient: *Hartford Retirement Services, LLC*

<u>Fee Description</u>	<u>Dollar Amount</u>
Holding Account: Hartford Fee	\$45.00
Total Direct Revenue:	<hr/> \$45.00
Grand Total Direct Fees:	<hr/> \$45.00

Foliage, Inc. 401(k) Plan

*Financial Statements and
Supplemental Schedule*

December 31, 2011 and 2010

Foliage, Inc. 401(k) Plan
Financial Statements and Supplemental Schedule
December 31, 2011 and 2010
Contents

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FIRST NEEDHAM PLACE
250 FIRST AVENUE • SUITE 101
NEEDHAM • MA • 02494-2805
WEB WWW.KNSCPA.COM
EMAIL KNS@KNSCPA.COM
TELEPHONE 781.453.8700
FAX 781.453.8778

K A T Z
N A N N I S +
SOLOMON, P C
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS + ADVISORS

Independent Auditors' Report

To the Trustees and Participants
Foliage, Inc. 401(k) Plan
Burlington, Massachusetts

We were engaged to audit the financial statements and supplemental schedule of Foliage, Inc. 401(k) Plan (the "Plan") as of December 31, 2011, and for the year then ended, as listed in the accompanying index. These financial statements and schedule are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2010, were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Reliance Trust Company, the custodian of the Plan. Their report, dated September 26, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were 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.

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 C, which was certified by Reliance Trust Company, the custodian 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 year ended December 31, 2011, 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.

Katz, Nannis + Solomon, P.C.

October 4, 2012
Needham, Massachusetts

Foliage, Inc. 401(k) Plan
Statements of Net Assets Available for Plan Benefits
December 31,

	2011	2010
Assets		
Investments, at Fair Value		
Mutual funds	\$ 12,999,017	\$ 11,938,965
Common and collective trust	1,378,453	1,369,067
Total Investments, at Fair Value	14,377,470	13,308,032
Receivables		
Notes receivable from participants	198,873	209,882
Total Assets	14,576,343	13,517,914
Liabilities		
Accrued administrative expenses	9,088	-
Net Assets Reflecting Investments at Fair Value	14,567,255	13,517,914
Adjustment from fair value of fully benefit-responsive investment contract to contract value	2,251	33,091
Net Assets Available for Plan Benefits	\$ 14,569,506	\$ 13,551,005

See accompanying notes.

Foliage, Inc. 401(k) Plan
Statements of Changes in Net Assets Available for Plan Benefits
Years Ended December 31,

	2011	2010
Additions to Net Assets Attributed to		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ (639,205)	\$ 1,163,333
Interest and dividends	326,476	293,901
Other income	-	1,956
Net Investment Income (Loss)	(312,729)	1,459,190
Contributions		
Employer	334,659	264,682
Participants' deferrals	1,338,322	1,058,491
Participants' rollovers	434,157	20,918
Total Contributions	2,107,138	1,344,091
Total Additions	1,794,409	2,803,281
Deductions from Net Assets Attributed to		
Benefits paid to participants	766,775	171,188
Administrative expenses	9,133	8,898
Total Deductions	775,908	180,086
Net Increase in Net Assets Available for Plan Benefits	1,018,501	2,623,195
Net assets available for plan benefits, beginning of year	13,551,005	10,927,810
Net Assets Available for Plan Benefits, End of Year	\$ 14,569,506	\$ 13,551,005

See accompanying notes.

A. Description of Plan

The following description of the Foliage, Inc. 401(k) Plan (the "Plan") provides only general information. A more complete description of the Plan's provisions is in the Plan Agreement.

1. General - The Plan is a defined contribution plan covering substantially all employees of Foliage, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Hartford Retirement Services, LLC was the plan administrator and recordkeeper for the years ended December 31, 2011 and 2010.

On July 1, 2011, the Plan changed its name from Foliage Software Systems, Inc. 401(k) to the Foliage, Inc. 401(k) Plan. In addition, the Plan added an automatic enrollment feature unless participants elect out of the Plan in accordance with the amendment.

2. Eligibility - Substantially all employees of the Company are eligible to participate in the Plan upon attaining age 21. Employees become a participant in the Plan on the earlier of January 1st, April 1st, July 1st, or October 1st after satisfying the age requirement.
3. Contributions - Participants may elect to defer a percentage of their pretax annual compensation as defined in the Plan, subject to maximum limits set by the Internal Revenue Code ("IRC"). Participants may also elect to make voluntary after-tax contributions to the Plan, subject to the provisions of the IRC. Participants may also contribute distributions from other qualified retirement plans ("rollovers").

The Company's contributions to the Plan are determined by its Board of Directors but the amounts contributed cannot exceed the maximum amounts permissible under the provisions of the IRC. Employees' salary deferred contributions may be matched by the Company in accordance with the provisions of the Plan. In addition, the Company may make a discretionary contribution to the Plan. There were no discretionary contributions to the Plan for the years ended December 31, 2011 and 2010.

4. Participant accounts - Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contributions, (b) the Company's discretionary contribution, if any, and (c) Plan net investment earnings. Allocations are based on participant compensation or account balances, as defined in the Plan Agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
5. Vesting - Participants are fully vested in their own contributions and related earnings. Vesting of Company matching contributions and discretionary contribution, if any, and earnings thereon, is based on years of continuous service. A participant is 100% vested after three years of continuous service as defined in the Plan, or upon permanent disability or death.

A. Description of Plan (continued)

6. Payment of benefits - Upon retirement or disability, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum amount. Terminated participants may elect to receive a lump-sum amount equal to the value of the vested account or may elect to leave such amount invested in the Plan. The Plan may also automatically distribute to terminated participants their entire vested account balance not exceeding \$1,000 (involuntary cash-out). Upon death, a lump sum amount or substantially equal installments is paid to the participant's beneficiary.
7. Notes receivable from participants - Participants may borrow a minimum of \$1,000 and up to the lesser of \$50,000 or 50% of their vested interest in the Plan. Loans are secured by the vested balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are repaid ratably through payroll deductions.
8. Plan termination - Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, the accrued benefits of participants become fully vested and non-forfeitable.
9. Forfeitures - At December 31, 2011 and 2010, forfeited non-vested accounts amounted to \$13,503 and \$6,824, respectively. These accounts may be used to pay administrative expenses, and then any remaining amount will be allocated to eligible participants, as defined. For the years ended December 31, 2011 and 2010, administrative expenses were reduced by \$45 and \$8,898, respectively, from forfeited non-vested accounts.

B. Summary of Significant Accounting Policies

1. Basis of accounting - The accompanying financial statements are prepared on the accrual basis.
2. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
3. Investment valuation and income recognition - The Plan's investments are stated 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. The Plan's interest in the collective trust is based on the fair value of the collective trust's underlying investments as based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. 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.

B. Summary of Significant Accounting Policies (continued)

3. Investment valuation and income recognition (continued) - As described in U.S. GAAP, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a collective trust. Contract value for this collective trust is based on the net asset value of the fund as reported by the investment advisor. As required by U.S. GAAP, the Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis
4. Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.
5. Benefits paid - Benefits are recorded when paid.
6. Administrative expenses - Administrative expenses relating to the Plan which are not paid by forfeited accounts are paid by the Company. However, certain expenses, including loan processing fees, are paid for by the individual participant.
7. Subsequent events - The Plan administrator has evaluated all subsequent events through October 4, 2012, the date the financial statements were available to be issued.

C. Investments

All investment information disclosed in the accompanying financial statements, including fair value of investments held at December 31, 2011 and 2010, and net appreciation in fair value of investments, and interest and dividend income for the years ended December 31, 2011 and 2010, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Reliance Trust Company.

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

C. Investments (continued)

The following represents participant directed investments at December 31, 2011 and 2010, that represent 5% or more of the Plan's net assets.

	<u>2011</u>	<u>2010</u>
Fixed Fund	\$ 1,380,704	\$ 1,402,158
Dreyfus Basic S&P 500 Index Fund	942,684	722,704
American Funds Growth Fund	826,834	951,344
Columbia Acorn Fund	1,249,212	1,377,403
Davis New York Venture Fund	826,756	914,094
MFS Growth Allocation Fund	1,450,992	1,123,193
MFS International Diversification	844,007	831,294
Harbor Capital Appreciation	806,211	764,590
PIMCO Total Return Institutional	2,016,525	1,509,372

D. Fair Value Measurements

U.S. GAAP 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, Level 2 inputs consists of quoted prices in markets that are not considered to be active, and Level 3 inputs consist of prices or valuations that require significant unobservable inputs. 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. Level 2 inputs were only used when Level 1 inputs were not available, and no Level 3 inputs were used by the Plan.

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the level 2 input must be observable for substantially the full term of the asset or liability.

D. Fair Value Measurements (continued)

Level 3 Fair Value Measurements

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

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

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

Mutual Funds - Valued at the net asset value (NAV) of shares held by the Plan at year end. This includes registered investment companies and money market funds.

Common and Collective Trust - Valued at fair value of the common trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the common trust fund at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, 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 different fair value measurements at the reporting date.

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

Assets at Fair Value as of December 31, 2011

	<u>Level 1</u>		<u>Level 2</u>		<u>Total</u>
Mutual Funds:					
Growth funds	\$ 5,444,665	\$	-	\$	5,444,665
International funds	2,030,338		-		2,030,338
Bonds	2,492,778		-		2,492,778
Blend funds	1,914,823		-		1,914,823
Value funds	1,044,540		-		1,044,540
Technology funds	71,873		-		71,873
Common and collective trust	-		<u>1,378,453</u>		<u>1,378,453</u>
	\$ <u>12,999,017</u>	\$	<u>1,378,453</u>	\$	<u>14,377,470</u>

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

D. Fair Value Measurements (continued)

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Mutual Funds:			
Growth funds	\$ 5,130,976	\$ -	\$ 5,130,976
International funds	2,194,732	-	2,194,732
Bonds	1,852,714	-	1,852,714
Blend funds	1,637,181	-	1,637,181
Value funds	1,061,415	-	1,061,415
Technology funds	61,947	-	61,947
Common and collective trust	-	<u>1,369,067</u>	<u>1,369,067</u>
	\$ <u>11,938,965</u>	\$ <u>1,369,067</u>	\$ <u>13,308,032</u>

There are no level 3 investments as of December 31, 2011 and 2010.

E. Risks and Uncertainties

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

F. Exempt Party-In-Interest Transactions

Plan investments are sponsored by Hartford Retirement Services, LLC, which has custody of the investment assets of the Plan, therefore, these transactions qualify as party-in-interest transactions.

G. Tax Status

The Plan obtained its latest determination letter dated March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed was in compliance with certain Section 401(a) requirements of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator and the plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

G. Tax Status (continued)

The Plan identifies, recognizes, measures and discloses in its financial statements the effects of any uncertain tax positions that it has taken or expects to take. The Plan recognizes a liability when, despite the Plan's belief that its tax return positions are supportable, it is possible that certain positions may not be fully sustained upon review of tax authorities. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences impact income tax expense in the period in which such determination is made. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

The Plan administrator has analyzed the Plan's tax positions taken for all open federal tax years and has concluded that no provision for uncertain tax position is required in the Plan's financial statements.

H. Fully Benefit-Responsive Investment Contract

The Plan has a benefit-responsive investment contract with the Fixed Fund. The Fixed Fund maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at fair value as reported to the Plan by the Fixed Fund. 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 of a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuers or otherwise. The average yields representing annualized earnings of all investments were approximately 1.66% and 2.33% for 2011 and 2010, respectively. The average crediting interest rates were approximately 1.17% and 1.49% for 2011 and 2010, respectively.

Foliage, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2011 and 2010

I. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of financial statement amounts to Form 5500:

	<u>Statement of Changes in Net Assets Available for Plan Benefits</u>		<u>Statement of Net Assets Available for Plan Benefits</u>	
<u>December 31, 2011</u>	<u>Administrative Expenses</u>	<u>Net Increase/ (Decrease)</u>	<u>Common/ Collective Trust</u>	<u>Net Assets Available for Plan Benefits</u>
Per the accompanying financial statements	\$ 9,133	\$ 1,018,501	\$ 1,378,453	\$ 14,569,506
Amounts recorded as accrued administrative expenses in 2011 for accrual basis financial statement	(9,088)	9,088	-	9,088
Adjustment of fair value of fully benefit-responsive investment contract to contract value	<u>-</u>	<u>-</u>	<u>2,251</u>	<u>-</u>
Per Form 5500	\$ <u>45</u>	\$ <u>1,027,589</u>	\$ <u>1,380,704</u>	\$ <u>14,578,594</u>

Foliage, Inc. 401(k) Plan
Schedule H, Line 4i-Schedule of Assets (Held at End of Year)
December 31, 2011
EIN # 04-3159004
Plan # 001

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
***	Fixed Fund	CCT	** \$	1,380,704
	Dreyfus Midcal Index	Mutual Fund	**	145,383
	Dreyfus Basic S&P 500 Index Fund	Mutual Fund	**	942,684
	American funds Europacific Fund	Mutual Fund	**	334,600
	American Funds Growth Fund	Mutual Fund	**	826,834
	American Funds Cap Wld Growth and Income	Mutual Fund	**	429,962
	Columbia Acorn Fund	Mutual Fund	**	1,249,212
	Davis New York Venture Fund	Mutual Fund	**	826,756
	MFS Moderated Allocation Fund	Mutual Fund	**	265,822
	MFS Growth Allocation Fund	Mutual Fund	**	1,450,992
	MFS Conservative Allocation	Mutual Fund	**	561,424
	MFS Aggressive Frowth Allocation	Mutual Fund	**	284,170
	MFS Interantioal Diversification	Mutual Fund	**	844,007
	Allianz NFJ Dividend Value Fund	Mutual Fund	**	506,539
	Allianz RCM Technology Fund	Mutual Fund	**	71,873
	Franklin Small Cap Value	Mutual Fund	**	538,001
	Harbor Captial Appreciation	Mutual Fund	**	806,211
	Lazard Emerging Markets	Mutual Fund	**	421,769
	PIMCO Low Duration Fund	Mutual Fund	**	476,253
	PIMCO Total Return Institutional	Mutual Fund	**	2,016,525
*	Participant loans	4.25% - 10.50%	-0-	198,873
Total			\$	14,578,594

* Party in interest

** The cost of participant directed investments is not required to be disclosed.

*** Represents contract value. Their fair value of this investment was \$1,378,453 as of December 31, 2011.