# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1969

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

AUTO-CHLOR SYSTEM, INC.

450 FERGUSON DRIVE
MOUNTAIN VIEW, CA 94043-5214

**2b** Employer Identification Number (EIN) 91-0832878

**2c** Sponsor's telephone number 650-967-3085

**2d** Business code (see instructions) 532400

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/11/2012 | DEBORAH J. IVY |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
AUTO-CHLOR SYSTEM, INC.

450 FERGUSON DRIVE
MOUNTAIN VIEW, CA 94043-5214

**3b** Administrator's EIN
91-0832878

**3c** Administrator's telephone number
650-967-3085

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

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 710 |
| **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** | 596 |
| **b** | Retired or separated participants receiving benefits | **6b** | 92 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 688 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 688 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 541 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**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
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AUTO-CHLOR SYSTEM, INC.

**D** Employer Identification Number (EIN)
91-0832878

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

CHARLES SCHWAB TRUST COMPANY

42-1558009

**(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)

RIVERSEDGE ADV. RET. SOLUTIONS, LLC

27-1155910

| (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 50 64 | NONE | 17436 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

SILICON VALLEY RETIREMENT SERVICES

27-2233898

| (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? |
|---|---|---|---|---|---|---|
| 27 59 | NONE | 0 | Yes [X] No [ ] | Yes [X] No [ ] | 40864 | Yes [ ] No [ ] |

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| SILICON VALLEY RETIREMENT SERVICES | 27 | 40864 |

| **(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. |
|---|---|
| CHARLES SCHWAB TRUST<br><br>42-1558009 | SHAREHOLDER SERVICING FEES PAID TO SVRS THROUGH RER. |

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

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

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
AUTO-CHLOR SYSTEM, INC.

**D** Employer Identification Number (EIN)
91-0832878

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RT TR FD INCOME CL I

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-005 | C | 1050 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RET TR FD 2015 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-006 | C | 8821 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RT TR FD 2020 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-002 | C | 76947 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RET TR FD 2025 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-007 | C | 205372 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RT TR FD 2030 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-003 | C | 68871 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RET TR FD 2035 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-008 | C | 145121 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RT TR FD 2040 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **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) |
|---|---|---|
| 81-0625169-004 | C | 112238 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RET TR FD 2045 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **c** EIN-PN 81-0625169-009 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86542 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RT TR FD 2050 CL II

**b** Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

| **c** EIN-PN 81-0625169-010 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 118323 |
|---|---|---|

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

**b** Name of sponsor of entity listed in (a):

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

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

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

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

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

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

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

**A** Name of plan
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AUTO-CHLOR SYSTEM, INC.

**D** Employer Identification Number (EIN)
91-0832878

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 11 | 43762 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 1910399 | 2070555 |
| **(2)** Participant contributions | 1b(2) | 0 | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 151641 |
| **(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) | 250000 | 200000 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 880000 | 880000 |
| **(7)** Loans (other than to participants) | 1c(7) | 602400 | 500000 |
| **(8)** Participant loans | 1c(8) | 535732 | 490361 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 173921 | 823285 |
| **(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) | 22682580 | 22829215 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 27035043 | 27988819 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | 42975 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | | 42975 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 27035043 | 27945844 |

## 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) | 2068650 | |
| **(B)** Participants | 2a(1)(B) | 597606 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 107562 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2773818 |
| **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) | 26600 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 26600 |
| **(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) | 769125 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 769125 |
| **(3)** Rents | 2b(3) | | 63000 |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | -152400 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | -152400 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | -65984 |
| (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) | | -398340 |
| **c** Other income | 2c | | -3753 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 3012066 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 2073005 | |
| (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) | | 2073005 |
| **f** Corrective distributions (see instructions) | 2f | | 10824 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: (1) Professional fees | 2i(1) | 17436 | |
| (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) | | 17436 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2101265 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | 910801 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BURR, PILGER & MAYER, INC. (2) EIN: 26-3839190

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | X | | 880000 |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **Amount:**

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

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AUTO-CHLOR SYSTEM, INC.

**D** Employer Identification Number (EIN)
91-0832878

## Part I Distributions

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

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

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

EIN(s): 42-1558009

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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**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):

# AUTO-CHLOR SYSTEM, INC.
# PROFIT SHARING AND 401(k) PLAN

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

for the year ended December 31, 2011

**AUTO-CHLOR SYSTEM, INC.**
**PROFIT SHARING AND 401(k) PLAN**

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BPM
BURR PILGER MAYER

600 California Street, Suite 1300, San Francisco, CA 94108
**Phone** 415.421.5757 **Fax** 415.288.6288 **Email** bpm@bpmcpa.com **Web** bpmcpa.com

# INDEPENDENT AUDITORS' REPORT

Mr. Jerry Ivy, Trustee of
Auto-Chlor System, Inc.
Profit Sharing and 401(k) Plan
Mountain View, California

We were engaged to audit the accompanying statements of net assets available for benefits of Auto-Chlor System, Inc. Profit Sharing and 401(k) Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental Schedule H, Line 4i–Schedule of Assets (Held at End of Year) as of the year ended December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Charles Schwab Bank, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the Plan administrator by the custodian 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 these 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 custodian, 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.

Burr Pilger Mayer, Inc.

San Francisco, California
October 4, 2012

# AUTO-CHLOR SYSTEM, INC.
## PROFIT SHARING AND 401(k) PLAN
### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

| | 2011 | 2010 |
|---|---|---|
| **ASSETS** | | |
| Participant-directed investments, at fair value: | | |
| Cash and cash equivalents | $ 189,366 | $ 11 |
| Common/collective trusts | 823,285 | - |
| Mutual funds | 3,343,716 | 4,045,766 |
| Guaranteed investment contract | - | 173,921 |
| Total participant-directed investments | 4,356,367 | 4,219,698 |
| Nonparticipant-directed investments, at fair value: | | |
| Cash and cash equivalents | 6,037 | - |
| Mutual funds | 19,485,499 | 18,636,814 |
| Notes receivable, secured by first deeds of trust | 500,000 | 602,400 |
| Limited partnership | 200,000 | 250,000 |
| Commercial rental real estate | 880,000 | 880,000 |
| Total nonparticipant-directed investments | 21,071,536 | 20,369,214 |
| Receivables: | | |
| Notes receivable from participants | 490,361 | 535,732 |
| Employer contribution receivable | 2,070,555 | 1,910,399 |
| Total receivables | 2,560,916 | 2,446,131 |
| **LIABILITIES** | | |
| Excess contributions payable | 42,975 | - |
| Net assets available for benefits | $ 27,945,844 | $ 27,035,043 |

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

# AUTO-CHLOR SYSTEM, INC.
## PROFIT SHARING AND 401(k) PLAN
### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the year ended December 31, 2011

| | |
|---|---|
| Additions to net assets attributable to: | |
| Investment income: | |
| Interest and dividends–money market, common/collective trusts, and mutual funds | $ 769,125 |
| Rental income | 63,000 |
| Total investment income | 832,125 |
| Interest income on notes receivable from participants | 26,600 |
| Contributions and rollovers: | |
| Employer contributions | 2,068,650 |
| Participants' salary deferrals, net | 597,606 |
| Rollovers | 107,562 |
| Total contributions and rollovers | 2,773,818 |
| Total additions to net assets | 3,632,543 |
| Deductions from net assets attributable to: | |
| Net depreciation in fair value of investments–mutual funds and common/collective trusts, net of fees | 468,077 |
| Net depreciation in fair value of investments–notes receivable and limited partnership | 152,400 |
| Benefits paid to participants | 2,083,829 |
| Administrative expenses | 17,436 |
| Total deductions from net assets | 2,721,742 |
| Net increase in net assets | 910,801 |
| Net assets available for benefits at beginning of year | 27,035,043 |
| Net assets available for benefits at end of year | $ 27,945,844 |

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

## 1. Description of Plan

The following description of the Auto-Chlor System, Inc. Profit Sharing and 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### *General*

The Plan is a defined contribution plan with a salary deferral arrangement established under Section 401(k) of the Internal Revenue Code. The Plan was originally established by Auto-Chlor System of Washington, Inc. (the Company) in January 1969. The Plan was amended and restated effective January 1, 2010. The employers are referred to herein as Auto-Chlor.

All employees, excluding leased employees and union employees, who have reached the age of 18 and who have completed three months of service with Auto-Chlor are eligible for participation in the 401(k) portion of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and certain provisions of the Internal Revenue Code (IRC).

### *Plan Administration*

The Company used a third party administrator, The Standard from January 1, 2010 through June 9, 2010, and Riversedge from June 10, 2010 through December 31, 2011, to assist with record keeping and administration of the Plan, including the authority and responsibility to invest, manage, and control the assets of the Plan specifically allocated to the custodian. Charles Schwab Bank was the appointed custodian for the Plan in 2011 and 2010, and acted at the direction of the Plan's administrator. The Company paid the majority of all necessary and proper expenses incurred in the administration of the Plan. Such expenses are primarily comprised of legal fees, auditing fees, and expenses relating to the maintenance of the Plan's records.

### *Contributions*

Auto-Chlor may make elective profit sharing contributions to the Plan. If any such contributions are made, the Trustees allocate them among various investment choices, including mutual funds, common collective funds, money market funds, real estate, and mortgage notes receivable. Participants are prohibited from selling investments made with profit sharing contributions while they are employed by the Company unless the participant is required to take a mandatory distribution, is approved for hardship withdrawal, or takes a loan from their account. In 2011, the Company made an elective profit sharing contribution in the amount of $2,068,650, net of forfeitures. Participants are eligible for the profit sharing contribution once they have attained the age of 20½ and completed six months of service prior to the first day of the Plan year, are employed on the last day of the Plan year, and have completed one year of service, defined as 1,000 hours of service.

Continued

**1. Description of Plan**, continued

***Contributions***, continued

Each year, participants may voluntarily contribute to the Plan a minimum of a portion of their annual eligible compensation, up to the maximum amount allowable under current income tax regulations which was $16,500 for 2011. Participants may also contribute amounts rolled over from other qualified plans, and if the participants are 50 or older, they may elect to defer additional amounts (called catch-up contributions) to the Plan. The catch-up contributions may be deferred regardless of any other limitation on the amount that a participant may defer to the Plan. The maximum catch up contribution for 2011 was $5,500.

***Participant Accounts***

Each participant's account is credited with the participant's contribution, an allocation of Auto-Chlor's discretionary profit-sharing contribution, participant rollovers, and Plan earnings and losses thereon. Plan earnings are allocated based upon each participant's account balance. Employer discretionary profit-sharing contributions are allocated based upon the greater of a discretionary percentage of each participant's eligible compensation or a discretionary minimum dollar value per eligible pay period.

Certain investment fees are charged to the mutual funds and corporate equities and are offset against Plan investment income and losses as presented on the Statement of Changes of Net Assets Available for Benefits. Participants should refer to the prospectuses of these funds for details on the various types and amounts of investment fees charged to the Plan and their individual accounts.

***Vesting***

Participant contributions, rollovers, and net earnings on these contributions, are fully vested when made or earned.

Discretionary employer contributions, if any, as well as all earnings on these contributions vest according to the following schedule:

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

Continued

**1. Description of Plan**, continued

***Notes Receivable from Participants***

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Note receivable terms range from one to five years or longer as permitted by the Plan administrator for the purchase of a primary residence. The notes receivable are secured by the balance in the participant's account and bear a reasonable rate of interest as determined by Plan management at the time of note receivable origination. Interest rates on outstanding notes receivable ranged from 5% to 10.25% per annum at December 31, 2011. Principal and interest are paid in equal installments through payroll deductions. Any outstanding notes receivable will become due and payable upon termination of employment.

Participants may pay the balance of the note receivable directly by writing a check payable to the Plan for the balance of the note receivable plus any accrued interest. If the note receivable is not repaid in this fashion, the balance of the note receivable plus any accrued interest will be deducted from the participant's distribution from the Plan.

***Payment of Benefits***

On termination of service for reasons other than death, a participant will receive an amount equal to the value of the Participant's vested interest in his or her account. If vested balance is more than $5,000, the participant may elect distribution under any of the following methods: (a) lump sum, (b) part lump sum and part installments, or (c) installment payments (annually, quarterly, or monthly) over a specified period of time, not to exceed the participant's life expectancy, or the joint life expectancy of the Participant and the Participant's designated beneficiary. For termination of service due to death, the participant's beneficiary will receive the value of the vested interest in the participant's account in a lump-sum cash distribution. If the vested interest in the account does not exceed $5,000, then a lump-sum distribution will be made as soon as administratively practicable following the termination of employment. However, the participant may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account (IRA). If the amount of the distribution is more than $1,000 and the participant does not elect either to receive or to roll over the distribution, then under the law of 401(a)(31)(B) of the Internal Revenue Code the distribution must be rolled over to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity. The Plan's normal retirement age is 65.

***Investment Options***

Upon enrollment in the Plan, a participant may direct his or her contributions in percentage increments into a series of mutual funds, common/collective trusts, and a money market fund offered by the Plan. Participants may change their investment options at any time.

Continued

**1. Description of Plan**, continued

***Forfeitures***

On or before each anniversary date any forfeiture may be made available to reinstate previously forfeited account balances of former participants, used toward any employer discretionary contribution, or used to pay any administrative expenses of the Plan. Forfeited balances of terminated participants' nonvested accounts are allocated based on participant groups as if the forfeitures were additional employer contributions.

At December 31, 2011 and 2010, forfeited nonvested accounts totaled approximately $168,804 and $151,600, respectively. During the year 2011, forfeited funds in the amount of $1,906 were used to decrease employer contributions, and $149,614 was allocated to participants in accordance with Plan guidelines.

**2. Summary of Significant Accounting Policies**

***Method of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined-contribution plan are required to be 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 Statements of Net Assets Available for Benefits presents the fair value of the investment contracts, which also approximates the contract value of the investment contracts. As such, there is no adjustment of the fully benefit responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

***Use of Estimates***

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

***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Continued

**2. Summary of Significant Accounting Policies**, continued

***Investment Valuation and Income Recognition***, continued

Purchases and sales of securities are reflected on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend basis.

***Notes Receivable from Participants***

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

***Recognition of Benefit Payment***

Benefits are recorded when paid.

***Information Certified by the Custodian***

Charles Schwab Bank has prepared and certified as complete and accurate the Plan's schedule of investment assets, notes receivable from participants, transactions, and net realized and unrealized gains and losses on investments, and interest and dividend income, which was used to prepare the accompanying financial statements and supplemental schedule.

***Recent Accounting Pronouncements***

In May 2011, the Financial Accounting Standards Board issued Accounting Standard Update No. 2011-04, which amends ASC Topic 820, *Fair Value Measurements and Disclosures*, to result in common fair value measurements and disclosures between accounting principles generally accepted in the United States of America and International Financial Reporting Standards. The amendments explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The amendments change the wording used to describe fair value measurement requirements and disclosures, but often do not result in a change in the application of current guidance. Certain amendments clarify the intent about the application of existing fair value measurement requirements, while certain other amendments change a principle or requirement for fair value measurement or disclosure. This guidance is effective for interim and annual periods beginning after December 15, 2011. The Plan does not anticipate that the adoption of this guidance will have an impact on the Plan's financial statements.

Continued

## 3. Fair Value Measurement

Accounting Standards for fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described below:

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

*Level 2*–Inputs to the valuation methodology include:

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

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

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

The asset's 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:

*Cash and cash equivalents:* Valued based on redemption values on the last business day of the Plan year.

*Guaranteed investment contract:* Valued by discounting the related cash flows based on current yields of similar instruments with comparable durations.

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

*Common/collective trusts:* Valued based on the fair market value of the underlying securities.

*Notes receivable, secured by first deeds of trust:* Valued based on projected cash flow.

Continued

**3. Fair Value Measurement**, continued

*Limited partnership:* Valued based on the partnership financial statements.

*Commercial rental real estate:* Valued based upon an independent valuation of the rental property during June 2010. Rental income is recorded when earned.

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

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

| | Assets at Fair Value at December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Participant-directed: | | | | |
| Mutual funds: | | | | |
| Large funds | $ 1,366,989 | $ - | $ - | $ 1,366,989 |
| Bond funds | 858,446 | - | - | 858,446 |
| Foreign large blend funds | 415,510 | - | - | 415,510 |
| Mid-cap funds | 371,536 | - | - | 371,536 |
| Other funds | 330,543 | - | - | 330,543 |
| Small value funds | 692 | - | - | 692 |
| Total mutual funds | 3,343,716 | - | - | 3,343,716 |
| Cash and cash equivalents | 189,366 | - | - | 189,366 |
| Common/collective trusts | - | 823,285 | - | 823,285 |
| | 3,533,082 | 823,285 | - | 4,356,367 |

Continued

**3. Fair Value Measurement**, continued

| | Assets at Fair Value at December 31, 2011, continued | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Nonparticipant-directed: | | | | |
| Cash and cash equivalents | 6,037 | - | - | 6,037 |
| Notes receivable | - | - | 500,000 | 500,000 |
| Commercial real estate | - | - | 880,000 | 880,000 |
| Limited partnership | - | - | 200,000 | 200,000 |
| Mutual funds: | | | | |
| Large funds | 7,813,775 | - | - | 7,813,775 |
| Mid-cap funds | 4,381,793 | - | - | 4,381,793 |
| Small funds | 2,760,884 | - | - | 2,760,884 |
| Foreign large funds | 2,082,662 | - | - | 2,082,662 |
| Bond funds | 1,590,228 | - | - | 1,590,228 |
| Other funds | 856,157 | - | - | 856,157 |
| Total mutual funds | 19,485,499 | - | - | 19,485,499 |
| | 19,491,536 | - | 1,580,000 | 21,071,536 |
| Total investments | $ 23,024,618 | $ 823,285 | $ 1,580,000 | $ 25,427,903 |

| | Assets at Fair Value at December 31, 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Participant-directed: | | | | |
| Mutual funds: | | | | |
| Large funds | $ 1,389,914 | $ - | $ - | $ 1,389,914 |
| Bond funds | 838,434 | - | - | 838,434 |
| Moderate allocation funds | 670,197 | - | - | 670,197 |
| Foreign large blend funds | 504,067 | - | - | 504,067 |
| Mid-cap funds | 331,642 | - | - | 331,642 |
| Small value funds | 311,512 | - | - | 311,512 |
| Total mutual funds | 4,045,766 | - | - | 4,045,766 |
| Guaranteed investment contract | - | 173,921 | - | 173,921 |
| Cash and cash equivalents | 11 | - | - | 11 |
| | 4,045,777 | 173,921 | - | 4,219,698 |

Continued

**3. Fair Value Measurement**, continued

| | Assets at Fair Value at December 31, 2010, continued | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Nonparticipant-directed: | | | | |
| Notes receivable | - | - | 602,400 | 602,400 |
| Commercial real estate | - | - | 880,000 | 880,000 |
| Limited partnership | - | - | 250,000 | 250,000 |
| Mutual funds: | | | | |
| Large funds | 10,610,884 | - | - | 10,610,884 |
| Foreign large funds | 2,620,309 | - | - | 2,620,309 |
| Mid-cap funds | 2,315,535 | - | - | 2,315,535 |
| Small funds | 2,050,361 | - | - | 2,050,361 |
| Bond funds | 1,039,725 | - | - | 1,039,725 |
| Total mutual funds | 18,636,814 | - | - | 18,636,814 |
| | 18,636,814 | - | 1,732,400 | 20,369,214 |
| Total investments | $ 22,682,591 | $ 173,921 | $ 1,732,400 | $ 24,588,912 |

***Level 3 Gains and Losses***

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2011.

| | Level 3 Assets | | | |
|---|---|---|---|---|
| | Notes Receivable | Limited Partnership | Commercial Real Estate | Total |
| Balance as of January 1, 2011 | $ 602,400 | $ 250,000 | $ 880,000 | $ 1,732,400 |
| Net depreciation | (102,400) | (50,000) | - | (152,400) |
| Balance as of December 31, 2011 | $ 500,000 | $ 200,000 | $ 880,000 | $ 1,580,000 |

**4. Nonparticipant-Directed Investments**

Nonparticipant-directed investments are funded by Plan sponsor discretionary profit sharing contributions. As described in Note 1, participants are restricted in their ability to sell or transfer any portion of their share of the nonparticipant-directed investments while they are employed by the Company.

Continued

**4. Nonparticipant-Directed Investments**, continued

Information about the nonparticipant-directed net assets is presented in the accompanying financial statements. The significant components of the changes in net assets relating to the nonparticipant-directed investments for the year ended December 31, 2011 were as follows:

Changes in net assets for the year ended December 31, 2011:

| | |
|---|---|
| Employer contributions | $ 1,908,493 |
| Investment income including interest and dividends and net depreciation in fair value of investments | 354,773 |
| Interest income on notes receivable from participants | 12,043 |
| Rental income–commercial real estate | 63,000 |
| Net depreciation in fair value of investments–notes receivable and limited partnership | (152,400) |
| Benefits paid to participants | (1,472,429) |
| Administrative expenses | (11,158) |
| | $ 702,322 |

**5. Investment Information Prepared and Certified by the Custodian** (unaudited)

The following schedule is a summary of financial data certified by Charles Schwab Bank at December 31, 2011 and 2010 and for the year ended December 31, 2011 as complete and accurate in accordance with Section 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

| | 2011 | 2010 |
|---|---|---|
| Investments, at fair value: | | |
| Cash and cash equivalents–participant-directed | $ 189,366 | $ 11 |
| Cash and cash equivalents–nonparticipant-directed | $ 6,037 | $ - |
| Common/collective trusts | $ 823,285 | $ - |
| Mutual funds–participant-directed | $ 3,343,716 | $ 4,045,766 |
| Mutual funds–nonparticipant-directed | $ 19,485,499 | $ 18,636,814 |
| Notes receivable from participants | $ 490,361 | $ 535,732 |
| Guaranteed investment contract | $ - | $ 173,921 |
| Interest and dividend income | $ 769,125 | N/A |
| Interest income on notes receivable from participants | $ 26,600 | N/A |
| Net depreciation in fair value of investments | $ (468,077) | N/A |

Notes receivable secured by first deeds of trust, limited partnership and commercial rental real estate are not certified.

Continued

## 6. Investments

The fair value of individual investments that represented five percent (5%) or more of the Plan's net assets at December 31, 2011 and 2010 follows:

| | 2011 | 2010 |
|---|---|---|
| American Century Growth | $ 3,175,592 * | $ - |
| Artisan Mid Cap Value Fund | 2,057,381 * | - |
| Invesco Van Kampen Growth & Income A | 1,593,621 * | 1,657,586 * |
| Vanguard 500 Index Signal | 1,593,289 * | 1,785,356 * |
| Vanguard Short-Term Federal | 1,590,228 * | - |
| American Century Equity Income | 1,450,481 * | - |
| Northern Small Cap Value Fund | 1,401,687 * | - |
| Growth Fund of America R4 | - | 3,430,606 * |
| Davis New York Venture Fund Class A | - | 1,869,801 * |
| Dodge & Cox Stock Fund | - | 1,867,535 * |

* Nonparticipant-directed portion only

During 2011, the Plan's nonparticipant-directed investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $(620,477) as follows:

| | |
|---|---|
| Notes receivable | $ (152,400) |
| Common/collective trusts | (65,984) |
| Mutual funds | (402,093) |
| | $ (620,477) |

## 7. Commercial Real Estate

The Plan holds commercial real estate located in Philomath, Oregon. The building is leased to the U.S. Postal Service. The original lease expired on December 31, 2001. The U.S. Postal Service timely exercised the third of its four options to extend its lease for five years under each option. Under this option exercise, the lease was extended for five years, effective January 1, 2012, and it is to expire on December 31, 2016 with one five-year renewal option remaining. As of December 31, 2011, future non-cancelable lease payments to be made are $378,000.

Continued

## 8. Notes Receivable and Limited Partnership

As of December 31, 2011, the Plan had investments in two separate notes receivable; interest rates ranged from 10% to 11% per annum; notes receivable were secured by first deeds of trust on commercial, investment, and personal residence real estate in California. The notes require monthly interest-only payments with principal due on various maturity dates. Notes have matured as of December 31, 2009, and no interest was received in 2011. Due to un-collectability of interest, no accrued interest has been recorded and principal of notes receivable has been adjusted to reflect projected cash flow. One of the properties securing a note receivable held in 2009 was transferred and put into a single asset LLC, where the Plan is now named as a member of the LLC and the principal of the note receivable was converted into a capital contribution. As such, the Plan now holds an investment in a limited partnership.

## 9. Investment Contract with Insurance Company

The Plan held a benefit-responsive investment contract with MetLife Insurance Company (MetLife). The assets were invested in a MetLife separate account. MetLife guaranteed principal and accrued interest based on credited interest rates, for participant-initiated withdrawals as long as the contract remained active. Interest was credited to the contract at interest rates that reflected the performance of the underlying portfolio. The minimum interest credit rating was 0%. MetLife resets the rate quarterly by amortizing the difference between the market value of the portfolio and the guaranteed value over the weighted average duration of the Fund's investments. Participants received the principal and accrued earnings credited to their accounts on withdrawal for allowed events. Those events included transfers to other Plan investment options, and payments because of retirement, termination of employment, disability, death and in-service withdrawals as permitted by the Plan.

| | 2010 |
|---|---|
| Average yields: | |
| Based on actual earnings | 7.59% |
| Based on interest rate credited to participants | 3.32% |

## 10. Party-in-Interest Transactions

Certain Plan investments in mutual funds are managed by Charles Schwab Bank, the custodian of the Plan. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

Continued

## 11. Risk and Uncertainties

The Plan provides for various investment options in any combination of a money market, common/collective trusts, and mutual funds, nonparticipant-directed notes receivable, limited partnership, and commercial real estate offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks will occur in the near term that could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes of Net Assets Available for Benefits.

## 12. Tax Status

The Plan uses a prototype plan document sponsored by SunGard Corbel LLC. SunGard Corbel LLC received an opinion letter from the IRS dated March 31, 2008, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRS. Therefore, no provisions for income tax have been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

## 13. Plan Termination

Although the Company has not expressed intent to do so, the Company has the right under the Plan's provisions to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants who are not already fully vested will become fully vested in their accounts.

## 14. Excess Contributions

Excess Plan contributions for 2011 in the amount of $42,975 were paid back to certain active participants subsequent to December 31, 2011. These amounts were reflected as a liability on the accompanying Statements of Net Assets Available for Benefits at December 31, 2011. The payments of excess contributions are required to satisfy the relevant nondiscrimination provisions of the Plan.

Continued

## 15. Subsequent Events

In accordance with accounting standards affecting disclosures of subsequent events, the Plan evaluated subsequent events for recognition and disclosure through October 4, 2012, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2011 that requires recognition or disclosure in such financial statements.

# SUPPLEMENTAL SCHEDULE

**AUTO-CHLOR SYSTEM, INC.**
**PROFIT SHARING AND 401(k) PLAN**

**EIN 91-0832878**

**Plan No. 001**

**SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

December 31, 2011

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Number of Units | (d) Cost | (e) Current Value |
|---|---|---|---|---|---|
| | Nonparticipant-directed investments: | | | | |
| | American Century Growth | Mutual funds | 129,246.709 | $ 3,350,221 | $ 3,175,592 |
| | Artisan Mid Cap Value Fund | Mutual funds | 104,435.564 | 2,056,261 | 2,057,381 |
| | Invesco Van Kampen Growth & Income A | Mutual funds | 85,871.413 | 1,591,410 | 1,593,621 |
| | Vanguard 500 Index Signal | Mutual funds | 16,657.482 | 1,549,787 | 1,593,289 |
| | Vanguard Short-Term Federal | Mutual funds | 146,700.006 | 1,588,236 | 1,590,228 |
| | American Century Equity Income | Mutual funds | 199,363.306 | 1,450,534 | 1,450,481 |
| | Northern Small Cap Value Fund | Mutual funds | 93,508.265 | 1,392,145 | 1,401,687 |
| | JP Morgan Small Cap Growth A | Mutual funds | 128,873.374 | 1,354,696 | 1,358,730 |
| | T. Rowe Price Mid Capital Growth Fund | Mutual funds | 22,609.873 | 1,195,089 | 1,191,461 |
| | Columbia Acorn Fund Z | Mutual funds | 41,108.510 | 1,175,869 | 1,132,951 |
| | American Funds Europacific R4 | Mutual funds | 30,252.097 | 1,201,208 | 1,045,210 |
| | Dodge & Cox International Stock Fund | Mutual funds | 35,506.492 | 1,242,799 | 1,037,452 |
| | Columbia Acorn International | Mutual funds | 24,953.583 | 1,006,852 | 856,157 |
| | Invesco Van Kampen Comstock A | Mutual funds | 52.076 | 750 | 792 |
| | Vanguard Small Cap Index Signal | Mutual funds | 15.535 | 502 | 467 |
| | | | | 20,156,359 | 19,485,499 |
| * | Schwab Value Advantage Money Fund | Cash and cash equivalents | 1,742.480 | 1,742 | 1,742 |
| | Cash | Cash and cash equivalents | 4,295.000 | 4,295 | 4,295 |
| | | | | 6,037 | 6,037 |
| | Commercial Real Estate | Commercial Rental Real Estate | 1 | 525,000 | 880,000 |
| | 1105 Investors, LLC | Limited Partnership | 1 | 250,000 | 200,000 |
| | Notes Receivable | Secured by Real Estate, interest at 10% to 11%, due dates from December 31, 2007 to May 1, 2009 | 2 | 700,000 | 500,000 |
| | Total nonparticipant-directed investments | | | $ 21,637,396 | $ 21,071,536 |

* Party-in-interest

# AUTO-CHLOR SYSTEM, INC.
## PROFIT SHARING AND 401(k) PLAN
### EIN 91-0832878
### Plan No. 001
### SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2011

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (e) Current Value |
|---|---|---|---|
| | Participant-directed investments: | | |
| * | Schwab Value Advantage Money Fund | Cash and cash equivalents | $ 149,899 |
| | Cash | Cash and cash equivalents | 39,467 |
| | | | 189,366 |
| * | Schwab Managed Retirement Trust 2025 II | Common/collective trust | 205,372 |
| * | Schwab Managed Retirement Trust 2035 II | Common/collective trust | 145,121 |
| * | Schwab Managed Retirement Trust 2050 II | Common/collective trust | 118,323 |
| * | Schwab Managed Retirement Trust 2040 II | Common/collective trust | 112,238 |
| * | Schwab Managed Retirement Trust 2045 II | Common/collective trust | 86,543 |
| * | Schwab Managed Retirement Trust 2020 II | Common/collective trust | 76,947 |
| * | Schwab Managed Retirement Trust 2030 II | Common/collective trust | 68,870 |
| * | Schwab Managed Retirement Trust 2015 II | Common/collective trust | 8,821 |
| * | Schwab Managed Retirement Trust Income II | Common/collective trust | 1,050 |
| | | | 823,285 |
| | Vanguard 500 Index Signal | Mutual funds | 530,858 |
| | Vanguard Total Bond Market Index | Mutual funds | 440,205 |
| | American Century Growth | Mutual funds | 433,081 |
| | Vanguard Short Term Federal | Mutual funds | 418,241 |
| | American Funds Europacific R4 | Mutual funds | 415,510 |
| | Invesco Van Kampen Comstock A | Mutual funds | 403,050 |
| | Vanguard Small Cap Index Signal | Mutual funds | 196,173 |
| | Columbia Acorn Fund Z | Mutual funds | 191,728 |
| | Artisan Mid Cap Value Fund | Mutual funds | 179,808 |
| | Northern Small Cap Value Fund | Mutual funds | 134,370 |
| | Columbia Acorn International Z | Mutual funds | 692 |
| | | | 3,343,716 |
| | Total participant-directed investments | | $ 4,356,367 |
| * | Participant Loans | Various maturities, 5% to 10.25% | $ 490,361 |

* Party-in-interest

# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

**A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
AUTO-CHLOR SYSTEM, INC. PROFIT SHARING AND 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1969

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

AUTO-CHLOR SYSTEM, INC.

450 FERGUSON DRIVE
MOUNTAIN VIEW CA 94043-5214

**2b** Employer Identification Number (EIN) 91-0832878

**2c** Sponsor's telephone number 650-967-3085

**2d** Business code (see instructions) 532400

**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 | Deborah J. Ivy | 10/4/12 | DEBORAH J. IVY |
| | **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 |

**AUTO-CHLOR SYSTEM, INC.**
**PROFIT SHARING AND 401(k) PLAN**

**EIN 91-0832878**

**Plan No. 001**

**SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

December 31, 2011

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Number of Units | (d) Cost | (e) Current Value |
|---|---|---|---|---|---|
| | Nonparticipant-directed investments: | | | | |
| | American Century Growth | Mutual funds | 129,246.709 | $ 3,350,221 | $ 3,175,592 |
| | Artisan Mid Cap Value Fund | Mutual funds | 104,435.564 | 2,056,261 | 2,057,381 |
| | Invesco Van Kampen Growth & Income A | Mutual funds | 85,871.413 | 1,591,410 | 1,593,621 |
| | Vanguard 500 Index Signal | Mutual funds | 16,657.482 | 1,549,787 | 1,593,289 |
| | Vanguard Short-Term Federal | Mutual funds | 146,700.006 | 1,588,236 | 1,590,228 |
| | American Century Equity Income | Mutual funds | 199,363.306 | 1,450,534 | 1,450,481 |
| | Northern Small Cap Value Fund | Mutual funds | 93,508.265 | 1,392,145 | 1,401,687 |
| | JP Morgan Small Cap Growth A | Mutual funds | 128,873.374 | 1,354,696 | 1,358,730 |
| | T. Rowe Price Mid Capital Growth Fund | Mutual funds | 22,609.873 | 1,195,089 | 1,191,461 |
| | Columbia Acorn Fund Z | Mutual funds | 41,108.510 | 1,175,869 | 1,132,951 |
| | American Funds Europacific R4 | Mutual funds | 30,252.097 | 1,201,208 | 1,045,210 |
| | Dodge & Cox International Stock Fund | Mutual funds | 35,506.492 | 1,242,799 | 1,037,452 |
| | Columbia Acorn International | Mutual funds | 24,953.583 | 1,006,852 | 856,157 |
| | Invesco Van Kampen Comstock A | Mutual funds | 52.076 | 750 | 792 |
| | Vanguard Small Cap Index Signal | Mutual funds | 15.535 | 502 | 467 |
| | | | | 20,156,359 | 19,485,499 |
| * | Schwab Value Advantage Money Fund | Cash and cash equivalents | 1,742.480 | 1,742 | 1,742 |
| | Cash | Cash and cash equivalents | 4,295.000 | 4,295 | 4,295 |
| | | | | 6,037 | 6,037 |
| | Commercial Real Estate | Commercial Rental Real Estate | 1 | 525,000 | 880,000 |
| | 1105 Investors, LLC | Limited Partnership | 1 | 250,000 | 200,000 |
| | Notes Receivable | Secured by Real Estate, interest at 10% to 11%, due dates from December 31, 2007 to May 1, 2009 | 2 | 700,000 | 500,000 |
| | Total nonparticipant-directed investments | | | $ 21,637,396 | $ 21,071,536 |

* Party-in-interest

# AUTO-CHLOR SYSTEM, INC.
## PROFIT SHARING AND 401(k) PLAN
### EIN 91-0832878
### Plan No. 001
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