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
SHUTTERS ON THE BEACH 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1998

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

E. T. WHITEHALL SANTA MONICA PARTNERS, LP

9950 SANTA MONICA BLVD
BEVERLY HILLS, CA 90212

2b Employer Identification Number (EIN)
95-4398775

2c Sponsor's telephone number
310-859-9366

2d Business code (see instructions)
721110

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	JON ANDERA
	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")
E. T. WHITEHALL SANTA MONICA PARTNERS, LP

9950 SANTA MONICA BLVD
BEVERLY HILLS, CA 90212

3b Administrator's EIN
95-4398775

3c Administrator's telephone number
310-859-9366

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**	550
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**	416
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	171
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	587
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	587
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	388
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	9
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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 Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

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

A Name of plan
SHUTTERS ON THE BEACH 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
E. T. WHITEHALL SANTA MONICA PARTNERS, LP

D Employer Identification Number (EIN)
95-4398775

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

HARTFORD RETIREMENT SERVICES, LLC

26-1589907

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 49 64 65 99 50	NONE	4280	Yes [X] No [ ]	Yes [X] No [ ]	30437	Yes [ ] No [X]

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

RELIANCE TRUST COMPANY

58-1428634

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 99	N/A	0	Yes [X] No [ ]	Yes [ ] No [X]	338	Yes [ ] No [X]

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

BANK OF AMERICA CORPORATION

94-1687665

(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?
52 59 60 63 72 51	N/A	4025	Yes [X] No [ ]	Yes [ ] No [X]	19179	Yes [ ] No [X]

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

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

GPC SECURITIES, INC

58-1517899

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 64 65	N/A	0	Yes [X] No [ ]	Yes [ ] No [X]	909	Yes [ ] No [X]

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

MORNINGSTAR ASSOCIATES, LLC

06-0974148

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
49	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	44	Yes [ ] No [X]

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
HARTFORD RETIREMENT SERVICES, LLC	15	30437

(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.
BANK OF AMERICA CORPORATION 94-1687665	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
RELIANCE TRUST COMPANY	19 99	338

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HARTFORD RETIREMENT SERVICES, LLC 26-1589907	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
BANK OF AMERICA CORPORATION	52 59 60 63 72 51	19179

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
SEE ATTACHED SCHEDULE C REPORT 94-1687665	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
GPC SECURITIES, INC	15 64 65	909

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HARTFORD RETIREMENT SERVICES, LLC 26-1589907	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MORINGSTAR ASSOCIATES, LLC	49	44

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HARTFORD LIFE INSURANCE COMPANY 06-0974148	SEE FEE AND COMPENSATION DISCLOSURE REPORT ATTACHMENT

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

(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
SHUTTERS ON THE BEACH 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
E. T. WHITEHALL SANTA MONICA PARTNERS, LP

D Employer Identification Number (EIN)
95-4398775

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: STABLE ASSET FUND

b Name of sponsor of entity listed in (a): BANK OF AMERICA N.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)
22-6459529-001	C	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
SHUTTERS ON THE BEACH 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
E. T. WHITEHALL SANTA MONICA PARTNERS, LP

D Employer Identification Number (EIN)
95-4398775

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	578790	596317
(9) Value of interest in common/collective trusts	1c(9)	2384563	0
(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)	4124357	6658908
(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	7087710	7255225
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7087710	7255225

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)		
	(B) Participants	2a(1)(B)	469004	
	(C) Others (including rollovers)	2a(1)(C)	23743	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		492747
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)	24038	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		24038
	(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)	75094	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		75094
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		87281
(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)		-177754
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		501406
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	286328	
(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)		286328
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	4348	
(3) Investment advisory and management fees	2i(3)	3957	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8305
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		294633
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		206773
l Transfers of assets:			
(1) To this plan	2l(1)		23302
(2) From this plan	2l(2)		62560

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: HEMMING MORSE LLP (2) EIN: 30-0702322

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

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

Part IV Compliance Questions

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

During the plan year:

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

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **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)
CASA DEL MAR INC. 401(K) PS PLAN	95-4664133	001

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
SHUTTERS ON THE BEACH 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
E. T. WHITEHALL SANTA MONICA PARTNERS, LP

D Employer Identification Number (EIN)
95-4398775

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): 06-0974148

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SHUTTERS ON THE BEACH 401(K) PLAN

FINANCIAL STATEMENTS

December 31, 2011 and 2010

SHUTTERS ON THE BEACH 401(K) PLAN
FINANCIAL STATEMENTS
December 31, 2011 and 2010

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HEMMING
MORSE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
LITIGATION & FORENSIC CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

Investment Committee
Shutters on the Beach 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Shutters on the Beach 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and supplemental schedules as of December 31, 2011 and 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

As permitted by the 29 CRF 2520.103-8 of 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 4, which was certified by Reliance Trust Company, the custodian of the Plan. We have been informed by the plan administrator that the Reliance Trust Company held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years December 31, 2011 and 2010 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 the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Francisco, California
October 8, 2012

Hemming Morse

EXHIBIT A

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

ASSETS

	2011	2010
Investments (Notes 2B and 4):		
Mutual funds	$ 6,658,908	$ 4,124,357
Common collective trust	-	2,384,563
	6,658,908	6,508,920
Receivables:		
Employee contributions	17,971	18,708
Loans to participants (Notes 1G and 2C)	596,317	578,790
	614,288	597,498
Total assets	7,273,196	7,106,418
Net Assets Available for Benefits	$ 7,273,196	$ 7,106,418

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

EXHIBIT B

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED December 31, 2011 and 2010

	2011	2010
Additions:		
Contributions (Note 1B):		
Employee contributions	$ 468,267	$ 491,106
Rollover contributions	23,743	3,938
	492,010	495,044
Investment income:		
Realized and unrealized gains (losses) on investments, net (Note 4A)	(178,120)	348,732
Interest and dividend income	186,779	162,611
	8,659	511,343
Total additions	500,669	1,006,387
Deductions:		
Benefits paid to participants (Notes 1C and 2D)	286,328	454,422
Administrative expenses	8,305	14,953
	294,633	469,375
Transfers of participant balances to related plans (Note 1F)	39,258	45,222
Total deductions	333,891	514,597
Increase in net assets	166,778	491,790
Net Assets Available for Benefits:		
Beginning of year	7,106,418	6,614,628
End of year	$ 7,273,196	$ 7,106,418

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

SHUTTERS ON THE BEACH 401(K) PLAN
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

A. General:

The Shutters on the Beach 401(k) Plan is a defined contribution plan established on January 1, 1998, which covers substantially all employees that have completed three months of service. This Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is exempt from Federal and California taxes under the Internal Revenue Code and the California Revenue and Taxation code, respectively.

B. Contributions:

The Plan allows tax-deferred savings contributions, profit sharing contributions, employer matching contributions, and other contributions. Employees are eligible to participate in the plan after three months of service and attained age 21.

1. **Tax-Deferred Savings Contributions:**
   Generally, each participant in the Plan may make a tax deferred savings contribution through payroll deductions. For the years ended December 31, 2011 and 2010, the maximum contribution is not to exceed $16,500. Other limitations and exceptions to these limits may also apply.

2. **Profit-Sharing Contributions:**
   The employer may make a profit-sharing contribution to be determined by the company. No contributions were declared for 2011 and 2010.

3. **Employer Matching Contributions:**
   The employer may make matching contributions equal to 100% of participant contributions limited to a maximum of 8% of employee compensation. This percent may be reduced to comply with contribution limitation statutes. Effective February 2009, employer contributions were eliminated.

4. **Other Contributions:**
   Participants in the Plan under certain circumstances may roll over or transfer assets from qualified plans, subject to federal law. These amounts become part of the participant's vested balance.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

C. Distributions:

Distributions to a participant or beneficiary normally commence within a reasonable time after a request due to death, disability, normal or late retirement, or termination of service. Hardship withdrawals are available under circumstances defined in the plan document.

D. Vesting:

Participants are immediately vested at 100% of their voluntary contributions and rollover contributions.

Participants become 100% vested in the employer's matching contributions after four years of credited service with the employer. This vesting schedule is 25% per year after the first year of credited service, as follows:

Years of Service	Vesting Percentage
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

A participant becomes 100% vested upon normal retirement, death, or total and permanent disability. For vesting purposes, years of service with ET Whitehall Seascape, LLC, an affiliate of the Company, count as years of service with the Company.

E. Participants' Accounts:

An individual account is maintained for each participant, which includes the following components as of December 31:

1. Employee contributions made by the participants.
2. Employer contributions made by the employer.
3. The participant's investment income earned on their account net of investment and administrative expenses directly deducted form the account.
4. Deductions for benefits paid.
5. Deductions for, and repayment of, participant loans as well as loan fees.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

F. Transfer of Participant Accounts Between Plans:

The net transfers of $39,258 and $45,222, for 2011 and 2010, respectively, on the statement of changes in net assets available for benefits represent the net transfers between the plan and the Casa Del Mar 401(k) Plan.

G. Loan Program:

Participants may apply for a loan secured by the participant's account. Generally, the maximum amount of a loan is limited to the lesser of $50,000 or 50% of the individual's vested account balance. The minimum amount of a loan is $1,000 and the participant may have only one loan outstanding at any time. Repayments must be made through payroll deductions. Repayment term shall not exceed five years unless the loan is used to acquire a principal residence.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The Plan's financial statements are prepared on the accrual basis of accounting.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Valuation of Investments:

Mutual funds are based upon the fair market value of underlying assets at December 31, which equals fair market value.

As described in Financial Accounting Standards Board Accounting Standards Codification No. 962, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits and statements of changes in net assets available for benefits present the contract value of the investment contracts. Additional information on the guaranteed contracts is described in Note 7.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Valuation of Loans:
Loans receivable are valued at the principal balance due which equals fair market value.

D. Terminated Participants:
Under the terms of the Plan Agreement, terminated participants have the option of withdrawing the accumulated benefits, valued at the date of termination, in a lump sum, direct rollover, or they may leave the money in the Plan.

E. Administrative Expense:
Certain record keeping and investment expenses are paid by the plan as a reduction to investment income. All other expenses are borne by the employer.

F. Forfeited Accounts:
Forfeitures are composed of unvested balances at the time of distributions or five years of break in service. Forfeited accounts will reduce employer contributions.

NOTE 3 - PLAN TERMINATION

Although it has not expressed any intent to do so, Shutters on the Beach 401(k) Plan has the right under the Plan document to terminate the Plan. In the event of termination of the Plan, the participants' accounts shall be 100% vested. Accounts will be distributed as soon as administratively practicable after the Plan is terminated.

NOTE 4 – INVESTMENTS

A. General
Investment assets of the Plan were held by Reliance Trust Company under the terms of a custodian agreement.

The information included in the Plan's financial statements as of December 31, 2011 and 2010 was extracted from information prepared by Reliance Trust Company and furnished to the plan administrator. The plan administrator has obtained certification from the custodian that the information is complete and accurate.

NOTE 4 – INVESTMENTS – (Continued)

The Plan's investments (including investments bought, sold as well as held during the year) appreciated/(depreciated) during the years ended December 31, 2011 and 2010, as follows:

	2011	2010
Mutual funds	$ (178,120)	$ 348,743
Common collective funds	-	(11)
	$ (178,120)	$ 348,732

Included in the investments are the following which individually represent 5% or more of net assets available for benefits as of December 31, 2011.

	Fair Market Value
Retirement Reserves Money Fund	$ 2,481,648
American Funds Growth Fund of America	906,895
American Funds Balanced Fund	873,574
Eaton Vance Large Cap Value	628,451
American Funds Bond Fund of America	396,586

B. Fair Value Measurement:

The Plan has adopted the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification No. 820 (ASC 820). In accordance with ASC 820, fair value is defined as the price that the Plan would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments)

NOTE 4 – INVESTMENTS – (Continued)

B. Fair Value Measurement:

The following is a summary of the inputs used as of December 31, 2011 in valuing the Plan's investments carried at fair value:

	Level 1	Level 2	Level 3	Total 2011
Mutual funds:				
Large Value	$ 633,341	$ -	$ -	$ 633,341
World Allocation	168,451	-	-	168,451
Foreign Large Blend	330,266	-	-	330,266
Diversified Emerging Mkts	4,208	-	-	4,208
Large Growth	911,437	-	-	911,437
Large Blend	4,217	-	-	4,217
World Stock	228,062	-	-	228,062
Equity Precious Metals	8,393	-	-	8,393
Inflation-Protected Bond	10,314	-	-	10,314
Mid-Cap Value	2,902	-	-	2,902
Small Value	4,230	-	-	4,230
High Yield Bond	9,927	-	-	9,927
Mid-Cap Growth	14,256	-	-	14,256
Moderate Allocation	873,574	-	-	873,574
Intermediate-Term Bond	396,586	-	-	396,586
Small Growth	4,027	-	-	4,027
Health	9,868	-	-	9,868
Intermediate Government	10,199	-	-	10,199
Target Date	553,002	-	-	553,002
Money Market	2,481,648	-	-	2,481,648
Total	$ 6,658,908	$ -	$ -	$ 6,658,908

NOTE 5 – AGREEMENTS AND TRANSACTIONS WITH PERSONS KNOWN TO BE PARTIES-IN-INTEREST

Bank of America, the trustee, is a party-in-interest with respect to the Plan. Bank of America also manages the common collective trust held by the Plan. For the Plan years ended December 31, 2011 and 2010, the fees deducted as charges against investment earnings for plan administration fees were $8,305 and $14,953, respectively. These expenses were immaterial to the Plan.

Loans receivable from Plan participants and the related interest income are also considered parties-in-interest transactions.

The records of the Plan indicate that there are no party-in-interest transactions which are prohibited by ERISA and for which no statutory or administrative exemption exists.

NOTE 6 – INVESTMENT CONTRACTS WITH INSURANCE COMPANY

The Plan entered into a benefit-responsive investment contract agreement with Bank of America. Bank of America maintains the contributions in a general account. The guaranteed interest accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2B, because the investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract is included in the statements of net assets available for benefits at contract value as reported to the Plan by The Hartford. Any differences between fair value and contract value are immaterial to the financial statements and, therefore are not reported separately.

NOTE 7 – INVESTMENT CONTRACTS WITH INSURANCE COMPANY – (Continued)

Effective May 2, 2011 Bank of America terminated these contracts. The contract value of the investment contracts at December 31, 2011 and 2010 was $0 and $2,384,563, respectively.

	2011	2010
Average yields and credit interest rates:		
Based on actual earnings	N/A	1.44%
Based on interest rate credited to participants	N/A	2.96%

NOTE 8 – RISKS AND UNCERTAINTIES

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

NOTE 9 – FORM 5500 RECONCILIATION

The audited financial statements of Shutters on the Beach 401(k) Plan are prepared on the accrual basis of accounting, while the financial information included in the Form 5500 Schedule H, Item I and II is on the modified cash basis of accounting. The following is a reconciliation of the audited net assets to the net assets per Form 5500.

	2011	2010
Net Assets Available for Benefits per audited financial statements at December 31	$ 7,273,196	$ 7,106,418
Employee contributions receivable	(17,971)	(18,708)
Net Assets per Form 5500, at December 31	$ 7,255,225	$ 7,087,710
A. Employee contributions per audited financial statements at December 31	$ 468,267	$ 491,106
Current year participant contributions, receivable	(17,971)	(18,708)
Prior year employee contributions, receivable	18,708	22,891
Employee contributions per Form 5500 at December 31	$ 469,004	$ 495,289

SHUTTERS ON THE BEACH 401(K) PLAN
EMPLOYER IDENTIFICATION NUMBER 95-4398775, PLAN NUMBER 001
SCHEDULE H-PART IV, ITEM 4i, SCHEDULE OF ASSETS HELD AT YEAR END

(A)	(B) Identity if issue, borrower, lessor or similar party	(C) Description of investment including maturity date, rate of interest collateral, pay or maturity value	(D) Cost	(E) Current Value
	Eaton Vance	Eaton Vance Large Cap Value	^	628,451
	American Funds	AMF Capital Income Builder	^	162,087
	American Funds	AMF Europacific Growth	^	330,265
	Wells Fargo	Wells Fargo Adv. Emerging Mky Equity	^	4,208
	American Funds	AMF Growth Fund of America	^	906,895
	Hartford	Hartford Capital Appreciation	^	4,217
	MFS	MFS Value Fund	^	4,890
	American Funds	AMF New Perspective	^	228,062
	Oppenheimer	Oppenheimer Gold & Special Minerals	^	8,393
	PIMCO	PIMCO Real Return Fund	^	10,314
	Blackrock	Blackrock Global Allocation	^	6,364
	Columbia	Columbia Mid-Cap Value Fund	^	2,902
	Columbia	Columbia Small-Cap Value Fund	^	4,230
	JP Morgan	JP Morgan High Yield Fund	^	9,928
	Neuberger Berman	Neuberger Berman Genesis Adv	^	10,100
	T. Rowe Price	T. Rowe Price Retirement Fund 2050	^	64,079
	T. Rowe Price	T. Rowe Price Retirement Fund 2040	^	126,703
	T. Rowe Price	T. Rowe Price Retirement Fund 2030	^	264,294
	T. Rowe Price	T. Rowe Price Retirement Fund 2020	^	54,427
	T. Rowe Price	T. Rowe Price Retirement Fund 2010	^	43,499
	American Funds	AMF American Balanced Fund	^	873,574
	American Funds	AMF Bond Fund of America	^	396,586
	American Century	American Century Heritage Inv	^	4,156
	Royce Funds	Royce Value Plus Fund	^	4,027
	Blackrock	Blackrock Health Sciences Opps Inv	^	9,868
	JANUS	JANUS A	^	4,542
	Columbia	Columbia U.S. Treasury	^	10,199
	Blackrock	Retirement Reserves Money Funds	^	2,481,648
	Total investments			6,658,908
*	Participant loans	Participant loans (4.25% to 8.25%)		596,317
	Total assets held			$ 7,255,225

* Party-in-interest

^ Cost has been omitted as all investments are participant-directed.

Fee and Compensation Disclosure Report

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

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

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

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

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

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

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

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

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

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

SHUTTERS ON THE BEACH 401(K) PLAN (060102)
EIN #: 95-4398775

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

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

Total Direct Compensation Paid **$8,305.41**

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

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

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

Direct Compensation **$4,280.00**

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

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

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

Indirect Compensation

Recordkeeping Service Fees Payor: Bank of America Corporation EIN: 94-1687665 **$30,437.22**

Non Monetary Compensation

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

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

Recipient: Other EIN: 99-9999999

Service Codes:

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

Direct Compensation **$4,025.41**

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

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

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

Indirect Compensation **$0.00**

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

Recipient: Bank of America Corporation EIN: 94-1687665

Direct/Indirect Compensation

Bank of America Corporation issue their own fee, expense, and revenue-sharing disclosures directly to Plan Sponsors. Please refer to these disclosures for more detail about indirect and direct fees charged by, or paid to, Bank of America Corporation.

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

Service Codes: 15, 64, 65

Indirect Compensation

Transaction Processing Services Payor: Hartford Retirement Services, LLC EIN: 26-1589907 **$908.88**

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

This is an estimate based on multiplying actual 2011 month end assets by 0.020%/12 for months January through August and then summing the results.

Recipient: Morningstar Associates, LLC EIN: 36-4317381

Service Code: 49

Indirect Compensation

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

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

Recipient: Reliance Trust Company EIN: 58-1428634

Indirect Compensation

Custodial/Trust service fee **$337.85**
Service Codes: 19, 25, 99

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

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

Direct Revenue Detail

Recipient: *Hartford Retirement Services, LLC*

Fee Description	Dollar Amount
Loan Set-up Fee	$3,700.00
One-Time Distribution Fee	$580.00
Total Direct Revenue:	**$4,280.00**

Recipient: *Other*

Fee Description	Dollar Amount
Holding Account: Collective Trust Fee	$67.71
Collective Trust Fee	$3,957.70
Total Direct Revenue:	**$4,025.41**

Grand Total Direct Fees:	**$8,305.41**

SHUTTERS ON THE BEACH 401(K) PLAN

FINANCIAL STATEMENTS

December 31, 2011 and 2010

SHUTTERS ON THE BEACH 401(K) PLAN
FINANCIAL STATEMENTS
December 31, 2011 and 2010

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HEMMING
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INDEPENDENT AUDITOR'S REPORT

Investment Committee
Shutters on the Beach 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Shutters on the Beach 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and supplemental schedules as of December 31, 2011 and 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

As permitted by the 29 CRF 2520.103-8 of 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 4, which was certified by Reliance Trust Company, the custodian of the Plan. We have been informed by the plan administrator that the Reliance Trust Company held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years December 31, 2011 and 2010 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 the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Francisco, California
October 8, 2012

Hemming Morse

EXHIBIT A

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

ASSETS

	2011	2010
Investments (Notes 2B and 4):		
Mutual funds	$ 6,658,908	$ 4,124,357
Common collective trust	-	2,384,563
	6,658,908	6,508,920
Receivables:		
Employee contributions	17,971	18,708
Loans to participants (Notes 1G and 2C)	596,317	578,790
	614,288	597,498
Total assets	7,273,196	7,106,418
Net Assets Available for Benefits	$ 7,273,196	$ 7,106,418

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

EXHIBIT B

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED December 31, 2011 and 2010

	2011	2010
Additions:		
Contributions (Note 1B):		
Employee contributions	$ 468,267	$ 491,106
Rollover contributions	23,743	3,938
	492,010	495,044
Investment income:		
Realized and unrealized gains (losses) on investments, net (Note 4A)	(178,120)	348,732
Interest and dividend income	186,779	162,611
	8,659	511,343
Total additions	500,669	1,006,387
Deductions:		
Benefits paid to participants (Notes 1C and 2D)	286,328	454,422
Administrative expenses	8,305	14,953
	294,633	469,375
Transfers of participant balances to related plans (Note 1F)	39,258	45,222
Total deductions	333,891	514,597
Increase in net assets	166,778	491,790
Net Assets Available for Benefits:		
Beginning of year	7,106,418	6,614,628
End of year	$ 7,273,196	$ 7,106,418

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

SHUTTERS ON THE BEACH 401(K) PLAN
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

A. General:

The Shutters on the Beach 401(k) Plan is a defined contribution plan established on January 1, 1998, which covers substantially all employees that have completed three months of service. This Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is exempt from Federal and California taxes under the Internal Revenue Code and the California Revenue and Taxation code, respectively.

B. Contributions:

The Plan allows tax-deferred savings contributions, profit sharing contributions, employer matching contributions, and other contributions. Employees are eligible to participate in the plan after three months of service and attained age 21.

1. **Tax-Deferred Savings Contributions:**
   Generally, each participant in the Plan may make a tax deferred savings contribution through payroll deductions. For the years ended December 31, 2011 and 2010, the maximum contribution is not to exceed $16,500. Other limitations and exceptions to these limits may also apply.

2. **Profit-Sharing Contributions:**
   The employer may make a profit-sharing contribution to be determined by the company. No contributions were declared for 2011 and 2010.

3. **Employer Matching Contributions:**
   The employer may make matching contributions equal to 100% of participant contributions limited to a maximum of 8% of employee compensation. This percent may be reduced to comply with contribution limitation statutes. Effective February 2009, employer contributions were eliminated.

4. **Other Contributions:**
   Participants in the Plan under certain circumstances may roll over or transfer assets from qualified plans, subject to federal law. These amounts become part of the participant's vested balance.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

C. Distributions:

Distributions to a participant or beneficiary normally commence within a reasonable time after a request due to death, disability, normal or late retirement, or termination of service. Hardship withdrawals are available under circumstances defined in the plan document.

D. Vesting:

Participants are immediately vested at 100% of their voluntary contributions and rollover contributions.

Participants become 100% vested in the employer's matching contributions after four years of credited service with the employer. This vesting schedule is 25% per year after the first year of credited service, as follows:

Years of Service	Vesting Percentage
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

A participant becomes 100% vested upon normal retirement, death, or total and permanent disability. For vesting purposes, years of service with ET Whitehall Seascape, LLC, an affiliate of the Company, count as years of service with the Company.

E. Participants' Accounts:

An individual account is maintained for each participant, which includes the following components as of December 31:

1. Employee contributions made by the participants.
2. Employer contributions made by the employer.
3. The participant's investment income earned on their account net of investment and administrative expenses directly deducted form the account.
4. Deductions for benefits paid.
5. Deductions for, and repayment of, participant loans as well as loan fees.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

F. Transfer of Participant Accounts Between Plans:

The net transfers of $39,258 and $45,222, for 2011 and 2010, respectively, on the statement of changes in net assets available for benefits represent the net transfers between the plan and the Casa Del Mar 401(k) Plan.

G. Loan Program:

Participants may apply for a loan secured by the participant's account. Generally, the maximum amount of a loan is limited to the lesser of $50,000 or 50% of the individual's vested account balance. The minimum amount of a loan is $1,000 and the participant may have only one loan outstanding at any time. Repayments must be made through payroll deductions. Repayment term shall not exceed five years unless the loan is used to acquire a principal residence.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The Plan's financial statements are prepared on the accrual basis of accounting.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Valuation of Investments:

Mutual funds are based upon the fair market value of underlying assets at December 31, which equals fair market value.

As described in Financial Accounting Standards Board Accounting Standards Codification No. 962, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits and statements of changes in net assets available for benefits present the contract value of the investment contracts. Additional information on the guaranteed contracts is described in Note 7.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Valuation of Loans:
Loans receivable are valued at the principal balance due which equals fair market value.

D. Terminated Participants:
Under the terms of the Plan Agreement, terminated participants have the option of withdrawing the accumulated benefits, valued at the date of termination, in a lump sum, direct rollover, or they may leave the money in the Plan.

E. Administrative Expense:
Certain record keeping and investment expenses are paid by the plan as a reduction to investment income. All other expenses are borne by the employer.

F. Forfeited Accounts:
Forfeitures are composed of unvested balances at the time of distributions or five years of break in service. Forfeited accounts will reduce employer contributions.

NOTE 3 - PLAN TERMINATION

Although it has not expressed any intent to do so, Shutters on the Beach 401(k) Plan has the right under the Plan document to terminate the Plan. In the event of termination of the Plan, the participants' accounts shall be 100% vested. Accounts will be distributed as soon as administratively practicable after the Plan is terminated.

NOTE 4 – INVESTMENTS

A. General
Investment assets of the Plan were held by Reliance Trust Company under the terms of a custodian agreement.

The information included in the Plan's financial statements as of December 31, 2011 and 2010 was extracted from information prepared by Reliance Trust Company and furnished to the plan administrator. The plan administrator has obtained certification from the custodian that the information is complete and accurate.

NOTE 4 – INVESTMENTS – (Continued)

The Plan's investments (including investments bought, sold as well as held during the year) appreciated/(depreciated) during the years ended December 31, 2011 and 2010, as follows:

	2011	2010
Mutual funds	$ (178,120)	$ 348,743
Common collective funds	-	(11)
	$ (178,120)	$ 348,732

Included in the investments are the following which individually represent 5% or more of net assets available for benefits as of December 31, 2011.

	Fair Market Value
Retirement Reserves Money Fund	$ 2,481,648
American Funds Growth Fund of America	906,895
American Funds Balanced Fund	873,574
Eaton Vance Large Cap Value	628,451
American Funds Bond Fund of America	396,586

B. Fair Value Measurement:

The Plan has adopted the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification No. 820 (ASC 820). In accordance with ASC 820, fair value is defined as the price that the Plan would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments)

NOTE 4 – INVESTMENTS – (Continued)

B. Fair Value Measurement:

The following is a summary of the inputs used as of December 31, 2011 in valuing the Plan's investments carried at fair value:

	Level 1	Level 2	Level 3	Total 2011
Mutual funds:				
Large Value	$ 633,341	$ -	$ -	$ 633,341
World Allocation	168,451	-	-	168,451
Foreign Large Blend	330,266	-	-	330,266
Diversified Emerging Mkts	4,208	-	-	4,208
Large Growth	911,437	-	-	911,437
Large Blend	4,217	-	-	4,217
World Stock	228,062	-	-	228,062
Equity Precious Metals	8,393	-	-	8,393
Inflation-Protected Bond	10,314	-	-	10,314
Mid-Cap Value	2,902	-	-	2,902
Small Value	4,230	-	-	4,230
High Yield Bond	9,927	-	-	9,927
Mid-Cap Growth	14,256	-	-	14,256
Moderate Allocation	873,574	-	-	873,574
Intermediate-Term Bond	396,586	-	-	396,586
Small Growth	4,027	-	-	4,027
Health	9,868	-	-	9,868
Intermediate Government	10,199	-	-	10,199
Target Date	553,002	-	-	553,002
Money Market	2,481,648	-	-	2,481,648
Total	$ 6,658,908	$ -	$ -	$ 6,658,908

NOTE 5 – AGREEMENTS AND TRANSACTIONS WITH PERSONS KNOWN TO BE PARTIES-IN-INTEREST

Bank of America, the trustee, is a party-in-interest with respect to the Plan. Bank of America also manages the common collective trust held by the Plan. For the Plan years ended December 31, 2011 and 2010, the fees deducted as charges against investment earnings for plan administration fees were $8,305 and $14,953, respectively. These expenses were immaterial to the Plan.

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The records of the Plan indicate that there are no party-in-interest transactions which are prohibited by ERISA and for which no statutory or administrative exemption exists.

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The Plan entered into a benefit-responsive investment contract agreement with Bank of America. Bank of America maintains the contributions in a general account. The guaranteed interest accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2B, because the investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract is included in the statements of net assets available for benefits at contract value as reported to the Plan by The Hartford. Any differences between fair value and contract value are immaterial to the financial statements and, therefore are not reported separately.

NOTE 7 – INVESTMENT CONTRACTS WITH INSURANCE COMPANY – (Continued)

Effective May 2, 2011 Bank of America terminated these contracts. The contract value of the investment contracts at December 31, 2011 and 2010 was $0 and $2,384,563, respectively.

	2011	2010
Average yields and credit interest rates:		
Based on actual earnings	N/A	1.44%
Based on interest rate credited to participants	N/A	2.96%

NOTE 8 – RISKS AND UNCERTAINTIES

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

NOTE 9 – FORM 5500 RECONCILIATION

The audited financial statements of Shutters on the Beach 401(k) Plan are prepared on the accrual basis of accounting, while the financial information included in the Form 5500 Schedule H, Item I and II is on the modified cash basis of accounting. The following is a reconciliation of the audited net assets to the net assets per Form 5500.

	2011	2010
Net Assets Available for Benefits per audited financial statements at December 31	$ 7,273,196	$ 7,106,418
Employee contributions receivable	(17,971)	(18,708)
Net Assets per Form 5500, at December 31	$ 7,255,225	$ 7,087,710
A. Employee contributions per audited financial statements at December 31	$ 468,267	$ 491,106
Current year participant contributions, receivable	(17,971)	(18,708)
Prior year employee contributions, receivable	18,708	22,891
Employee contributions per Form 5500 at December 31	$ 469,004	$ 495,289

SHUTTERS ON THE BEACH 401(K) PLAN
EMPLOYER IDENTIFICATION NUMBER 95-4398775, PLAN NUMBER 001
SCHEDULE H-PART IV, ITEM 4i, SCHEDULE OF ASSETS HELD AT YEAR END

(A)	(B) Identity if issue, borrower, lessor or similar party	(C) Description of investment including maturity date, rate of interest collateral, pay or maturity value	(D) Cost	(E) Current Value
	Eaton Vance	Eaton Vance Large Cap Value	^	628,451
	American Funds	AMF Capital Income Builder	^	162,087
	American Funds	AMF Europacific Growth	^	330,265
	Wells Fargo	Wells Fargo Adv. Emerging Mky Equity	^	4,208
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	JP Morgan	JP Morgan High Yield Fund	^	9,928
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	T. Rowe Price	T. Rowe Price Retirement Fund 2050	^	64,079
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	American Funds	AMF American Balanced Fund	^	873,574
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	Blackrock	Blackrock Health Sciences Opps Inv	^	9,868
	JANUS	JANUS A	^	4,542
	Columbia	Columbia U.S. Treasury	^	10,199
	Blackrock	Retirement Reserves Money Funds	^	2,481,648
	Total investments			6,658,908
*	Participant loans	Participant loans (4.25% to 8.25%)		596,317
	Total assets held			$ 7,255,225

* Party-in-interest

^ Cost has been omitted as all investments are participant-directed.

SHUTTERS ON THE BEACH 401(K) PLAN

FINANCIAL STATEMENTS

December 31, 2011 and 2010

SHUTTERS ON THE BEACH 401(K) PLAN
FINANCIAL STATEMENTS
December 31, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

Investment Committee
Shutters on the Beach 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Shutters on the Beach 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and supplemental schedules as of December 31, 2011 and 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

As permitted by the 29 CRF 2520.103-8 of 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 4, which was certified by Reliance Trust Company, the custodian of the Plan. We have been informed by the plan administrator that the Reliance Trust Company held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years December 31, 2011 and 2010 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 the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Francisco, California
October 8, 2012

Hemming Morse

EXHIBIT A

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

ASSETS

	2011	2010
Investments (Notes 2B and 4):		
Mutual funds	$ 6,658,908	$ 4,124,357
Common collective trust	-	2,384,563
	6,658,908	6,508,920
Receivables:		
Employee contributions	17,971	18,708
Loans to participants (Notes 1G and 2C)	596,317	578,790
	614,288	597,498
Total assets	7,273,196	7,106,418
Net Assets Available for Benefits	$ 7,273,196	$ 7,106,418

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

EXHIBIT B

SHUTTERS ON THE BEACH 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED December 31, 2011 and 2010

	2011	2010
Additions:		
Contributions (Note 1B):		
Employee contributions	$ 468,267	$ 491,106
Rollover contributions	23,743	3,938
	492,010	495,044
Investment income:		
Realized and unrealized gains (losses) on investments, net (Note 4A)	(178,120)	348,732
Interest and dividend income	186,779	162,611
	8,659	511,343
Total additions	500,669	1,006,387
Deductions:		
Benefits paid to participants (Notes 1C and 2D)	286,328	454,422
Administrative expenses	8,305	14,953
	294,633	469,375
Transfers of participant balances to related plans (Note 1F)	39,258	45,222
Total deductions	333,891	514,597
Increase in net assets	166,778	491,790
Net Assets Available for Benefits:		
Beginning of year	7,106,418	6,614,628
End of year	$ 7,273,196	$ 7,106,418

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

SHUTTERS ON THE BEACH 401(K) PLAN
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

A. General:

The Shutters on the Beach 401(k) Plan is a defined contribution plan established on January 1, 1998, which covers substantially all employees that have completed three months of service. This Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is exempt from Federal and California taxes under the Internal Revenue Code and the California Revenue and Taxation code, respectively.

B. Contributions:

The Plan allows tax-deferred savings contributions, profit sharing contributions, employer matching contributions, and other contributions. Employees are eligible to participate in the plan after three months of service and attained age 21.

1. **Tax-Deferred Savings Contributions:**
   Generally, each participant in the Plan may make a tax deferred savings contribution through payroll deductions. For the years ended December 31, 2011 and 2010, the maximum contribution is not to exceed $16,500. Other limitations and exceptions to these limits may also apply.

2. **Profit-Sharing Contributions:**
   The employer may make a profit-sharing contribution to be determined by the company. No contributions were declared for 2011 and 2010.

3. **Employer Matching Contributions:**
   The employer may make matching contributions equal to 100% of participant contributions limited to a maximum of 8% of employee compensation. This percent may be reduced to comply with contribution limitation statutes. Effective February 2009, employer contributions were eliminated.

4. **Other Contributions:**
   Participants in the Plan under certain circumstances may roll over or transfer assets from qualified plans, subject to federal law. These amounts become part of the participant's vested balance.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

C. Distributions:

Distributions to a participant or beneficiary normally commence within a reasonable time after a request due to death, disability, normal or late retirement, or termination of service. Hardship withdrawals are available under circumstances defined in the plan document.

D. Vesting:

Participants are immediately vested at 100% of their voluntary contributions and rollover contributions.

Participants become 100% vested in the employer's matching contributions after four years of credited service with the employer. This vesting schedule is 25% per year after the first year of credited service, as follows:

Years of Service	Vesting Percentage
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

A participant becomes 100% vested upon normal retirement, death, or total and permanent disability. For vesting purposes, years of service with ET Whitehall Seascape, LLC, an affiliate of the Company, count as years of service with the Company.

E. Participants' Accounts:

An individual account is maintained for each participant, which includes the following components as of December 31:

1. Employee contributions made by the participants.
2. Employer contributions made by the employer.
3. The participant's investment income earned on their account net of investment and administrative expenses directly deducted form the account.
4. Deductions for benefits paid.
5. Deductions for, and repayment of, participant loans as well as loan fees.

NOTE 1 - DESCRIPTION OF THE PLAN - (Continued)

F. Transfer of Participant Accounts Between Plans:

The net transfers of $39,258 and $45,222, for 2011 and 2010, respectively, on the statement of changes in net assets available for benefits represent the net transfers between the plan and the Casa Del Mar 401(k) Plan.

G. Loan Program:

Participants may apply for a loan secured by the participant's account. Generally, the maximum amount of a loan is limited to the lesser of $50,000 or 50% of the individual's vested account balance. The minimum amount of a loan is $1,000 and the participant may have only one loan outstanding at any time. Repayments must be made through payroll deductions. Repayment term shall not exceed five years unless the loan is used to acquire a principal residence.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The Plan's financial statements are prepared on the accrual basis of accounting.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Valuation of Investments:

Mutual funds are based upon the fair market value of underlying assets at December 31, which equals fair market value.

As described in Financial Accounting Standards Board Accounting Standards Codification No. 962, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits and statements of changes in net assets available for benefits present the contract value of the investment contracts. Additional information on the guaranteed contracts is described in Note 7.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Valuation of Loans:
Loans receivable are valued at the principal balance due which equals fair market value.

D. Terminated Participants:
Under the terms of the Plan Agreement, terminated participants have the option of withdrawing the accumulated benefits, valued at the date of termination, in a lump sum, direct rollover, or they may leave the money in the Plan.

E. Administrative Expense:
Certain record keeping and investment expenses are paid by the plan as a reduction to investment income. All other expenses are borne by the employer.

F. Forfeited Accounts:
Forfeitures are composed of unvested balances at the time of distributions or five years of break in service. Forfeited accounts will reduce employer contributions.

NOTE 3 - PLAN TERMINATION

Although it has not expressed any intent to do so, Shutters on the Beach 401(k) Plan has the right under the Plan document to terminate the Plan. In the event of termination of the Plan, the participants' accounts shall be 100% vested. Accounts will be distributed as soon as administratively practicable after the Plan is terminated.

NOTE 4 – INVESTMENTS

A. General
Investment assets of the Plan were held by Reliance Trust Company under the terms of a custodian agreement.

The information included in the Plan's financial statements as of December 31, 2011 and 2010 was extracted from information prepared by Reliance Trust Company and furnished to the plan administrator. The plan administrator has obtained certification from the custodian that the information is complete and accurate.

NOTE 4 – INVESTMENTS – (Continued)

The Plan's investments (including investments bought, sold as well as held during the year) appreciated/(depreciated) during the years ended December 31, 2011 and 2010, as follows:

	2011	2010
Mutual funds	$ (178,120)	$ 348,743
Common collective funds	-	(11)
	$ (178,120)	$ 348,732

Included in the investments are the following which individually represent 5% or more of net assets available for benefits as of December 31, 2011.

	Fair Market Value
Retirement Reserves Money Fund	$ 2,481,648
American Funds Growth Fund of America	906,895
American Funds Balanced Fund	873,574
Eaton Vance Large Cap Value	628,451
American Funds Bond Fund of America	396,586

B. Fair Value Measurement:

The Plan has adopted the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification No. 820 (ASC 820). In accordance with ASC 820, fair value is defined as the price that the Plan would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

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