

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>JACK B. KELLY, INC. FROZEN CAPITAL ACCUMULATION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1988</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1988</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1988</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>JACK B KELLEY, INC</u> <u>801 SOUTH FILLMORE, STE 505</u> <u>AMARILLO, TX 79101</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>75-1307457</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>806-353-3553</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>484120</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>75-1307457</u>	2c Sponsor's telephone number <u>806-353-3553</u>	2d Business code (see instructions) <u>484120</u>	
2b Employer Identification Number (EIN) <u>75-1307457</u>					
2c Sponsor's telephone number <u>806-353-3553</u>					
2d Business code (see instructions) <u>484120</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	ASHLEY WIECK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	ASHLEY WIECK
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") JACK B KELLEY, INC 801 SOUTH FILLMORE, STE 505 AMARILLO, TX 79101	3b Administrator's EIN 75-1307457 3c Administrator's telephone number 806-353-3553
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	310
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	119
b Retired or separated participants receiving benefits.....	6b	110
c Other retired or separated participants entitled to future benefits.....	6c	23
d Subtotal. Add lines 6a , 6b , and 6c	6d	252
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	2
f Total. Add lines 6d and 6e	6f	254
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	254
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

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

2E 3I

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

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

a Pension Schedules

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

b General Schedules

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

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

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan JACK B. KELLY, INC. FROZEN CAPITAL ACCUMULATION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 JACK B KELLEY, INC	D Employer Identification Number (EIN) 75-1307457	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

FIRST BANKERS TRUST SERVICES, INC.

20-1171923

(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?
21 63	TRUSTEE	12575	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(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
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(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: CORNELL & CO.	b EIN: 75-2535653
c Position: ACCOUNTANT	
d Address: 902 S. MONROE AMARILLO, TX 79101	e Telephone: 806-372-4331

Explanation: PURCHASED BY ANOTHER COMPANY AND USING THE AUDITOR OF THEIR CHOICE.

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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>JACK B. KELLY, INC. FROZEN CAPITAL ACCUMULATION PLAN</u>	B Three-digit plan number (PN) ►	<div style="border: 1px solid black; padding: 2px; font-weight: bold;">002</div>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>JACK B KELLEY, INC</u>	D Employer Identification Number (EIN) <u>75-1307457</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a	328	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	0
	(2) Participant contributions	1b(2)	0	0
	(3) Other.....	1b(3)	0	300986
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	2844208
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	3953854	0
(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	3954182	3145194

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	200	55540
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	200	55540

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3953982	3089654
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2049	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2049
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	5656494	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3953854	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1702640

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		1704689

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2496727	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2496727
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	5000	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	49640	
(4) Other	2i(4)	17650	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		72290
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2569017

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-864328
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: 415 GROUP, INC.

(2) EIN: 34-1341400

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5b(1) Name of plan(s)

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

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

A Name of plan <u>JACK B. KELLY, INC. FROZEN CAPITAL ACCUMULATION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>JACK B KELLEY, INC</u>	D Employer Identification Number (EIN) <u>75-1307457</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>39-0394590</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

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

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

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): _____

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

YEARS ENDED DECEMBER 31, 2011 AND 2010

**JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

YEARS ENDED DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

**To the Administrative Committee of the
Jack B. Kelley, Inc. Frozen Capital Accumulation Plan
Canton, Ohio**

We audited the accompanying statement of net assets in liquidation available for benefits of the **Jack B. Kelley, Inc. Frozen Capital Accumulation Plan (formerly the Jack B. Kelley, Inc. Employee Stock Ownership Plan Trust)** (Employer ID #75-1307457, Plan #002) as of December 31, 2011, and the related statement of changes in net assets available for benefits for the period from January 1, 2011 to August 30, 2011 and the statement of changes in net assets in liquidation available for benefits for the period of August 31, 2011 to December 31, 2011. 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. The financial statements of the Jack B. Kelley, Inc. Employee Stock Ownership Plan Trust as of and for the year ended December 31, 2010 were audited by other auditors whose report, dated September 26, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note F to the financial statements, the Board of Directors of Jack B. Kelley, Inc., the Plan's sponsor, voted effective August 31, 2011, to terminate the Plan. In accordance with principles generally accepted in the United States of America, the Plan has changed its basis of accounting used to determine the amounts at which net assets are stated, from the ongoing plan basis to the liquidation basis for periods after August 30, 2011.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the net assets in liquidation available for benefits of the Jack B. Kelley, Inc. Frozen Capital Accumulation Plan as of December 31, 2011, the changes in net assets available for benefits of the period of January 1, 2011 to August 30, 2011, and the changes in its net assets in liquidation available for benefits for the period of August 31, 2011 to December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 10 - 11, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Four-Fifteen Group

Certified Public Accountants

**Canton, Ohio
October 5, 2012**

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

STATEMENTS OF NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS

(Form 5500 - Schedule H - Part I)

	December 31,	
	2011	2010
ASSETS:		
Non-participant directed investments:		
Cash	\$ -	\$ 328
Money market account (liquidation value)	2,844,208	-
Jack B. Kelley, Inc. common stock (fair value)	-	3,953,854
	<hr/>	<hr/>
Total investments	2,844,208	3,954,182
Receivables:		
Escrow receivable	300,880	-
Interest receivable	106	-
	<hr/>	<hr/>
Total receivables	300,986	-
Total assets	3,145,194	3,954,182
LIABILITIES:		
Accrued plan expenses	55,540	200
	<hr/>	<hr/>
NET ASSETS IN LIQUIDATION		
AVAILABLE FOR BENEFITS	\$ 3,089,654	\$ 3,953,982
	<hr/> <hr/>	<hr/> <hr/>

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

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR
THE PERIOD OF JANUARY 1, 2011 TO AUGUST 30, 2011**

AND

**STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
AVAILABLE FOR BENEFITS FOR
THE PERIOD OF AUGUST 31, 2011 TO DECEMBER 31, 2011**

(Form 5500 - Schedule H - Part II)

	Year Ended December 31, 2011
ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income (Note C):	
Net appreciation in investments including investment income and realized gains in liquidation value of investments:	
Common stock of Jack B. Kelley, Inc.	<u>\$ 1,702,640</u>
NET INCREASE FOR THE PERIOD OF JANUARY 1, 2011 THROUGH AUGUST 30, 2011	1,702,640
ADDITIONS TO NET ASSETS IN LIQUIDATION ATTRIBUTED TO:	
Investment income (Note C):	
Interest and dividend income	<u>2,049</u>
Total additions for period of August 31, 2011 through December 31, 2011	2,049
DEDUCTIONS FROM NET ASSETS IN LIQUIDATION ATTRIBUTED TO:	
Redemptions / distributions	(2,496,727)
Administrative expenses	<u>(72,290)</u>
Total deductions	<u>(2,569,017)</u>
NET DECREASE FOR THE PERIOD OF AUGUST 31, 2011 THROUGH DECEMBER 31, 2011	<u>(2,566,968)</u>
NET DECREASE FOR THE YEAR ENDED DECEMBER 31, 2011	(864,328)
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS:	
Beginning of year	<u>3,953,982</u>
End of year	<u><u>\$ 3,089,654</u></u>

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

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

A. DESCRIPTION OF THE PLAN:

The following description of the Jack B. Kelley, Inc. Frozen Capital Accumulation Plan Trust (the "Plan"), formerly known as the Jack B. Kelley, Inc. Employee Stock Ownership Plan, is provided for general information only. The Plan has appointed First Bankers Trust Services, Inc. as the Plan's trustee (the "Trustee"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan, whose primary purpose is to enable employees of Jack B. Kelley, Inc. (the "Company") to acquire stock ownership interests in the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Prior to August 31, 2011, the Plan was intended to qualify as a stock bonus plan under the applicable provisions of the Internal Revenue Code. It was also intended to be an employee stock ownership plan under Section 4975(e)(7) of the Internal Revenue Code and Section 407(d)(6) of ERISA. Due to a sale of the Company stock, effective August 31, 2011, the Plan was amended stating that this Plan shall no longer be designed to invest primarily in Company stock and shall be operated as a frozen plan. Accordingly no employee shall first become a participant, nor shall any participant accrue any further benefit, in this Plan after that date.

Contributions - The Plan was formed on January 1, 1988. During 1989, the Plan purchased 111,000 shares of Jack B. Kelley, Inc. stock for \$2,924,850. From 2000 to 2009, Jack B. Kelley, Inc. purchased 44,734 shares of company stock from individuals participating in the ESOP and in 2010 they purchased 9,220 shares. As of August 31, 2011, the date of the stock transaction (the "Closing Date"), there were 57,046 shares of stock in the plan. Employees who have (a) completed 1,000 or more hours of service during 12 consecutive months of employment or 1,000 hours of service during the plan year and (b) have reached their 21st birthday were able to participate in the Plan on the first January 1 or July 1 following the date on which both (a) and (b) have been met. Effective August 31, 2011, however, no new Participants are allowed to be admitted into the Plan. The Company may make contributions to the Plan at its discretion in the form of cash with respect to services performed on or prior to the Closing Date. The Company has elected not to make such contributions for the year ended December 31, 2011. Participants are not permitted to make contributions to the Plan.

Participants Accounts - An account is maintained in the name of each participant. Employer contributions, income earned on investments held by the Plan and forfeitures of terminated participants' non-vested accounts are allocated to such accounts in accordance with the Plan provisions. As of December 31, 2011, approximately \$991,000 was allocated to accounts of persons who have withdrawn from participation in future contributions to the Plan. These participants share in trust earnings and appreciation (depreciation) on investments held in their individual accounts but do not receive any additional contributions.

Forfeitures - As of August 31, 2011, all account balances became 100% vested and were no longer subject to forfeiture. At December 31, 2011 and 2010, forfeited non-vested accounts totaled \$-0- and \$6,631, respectively.

Vesting - As of August 31, 2011, all participants account balances are 100% vested regardless of the participant's years of service.

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF THE PLAN (CONTINUED):

Payment of Benefits - A participant may elect to receive the current value of their accumulated benefit as a lump-sum distribution upon retirement or early termination, or the participant may elect to receive their benefits as annual installments.

Voting Rights - The common stock held by the Plan had the same voting rights as other common stock of the Company. The Trustee shall vote the employer stock held in Trust. However, each participant or beneficiary shall have the right to vote any employer stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business. The Plan held -0- and 57,046 shares at December 31, 2011 and 2010, respectively.

Put Option - Under Federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market includes a put option. The put option is a right to demand that the Company buy any shares of its common stock distributed to participants for which there is no market. The terms of payment for the shares are set forth in the plan document.

Diversification - Effective August 31, 2011, diversification provisions were deemed inoperative in accordance with the sale of the Company stock.

Investment Options - The Plan's investment strategies include investments with varying degrees of risk that are subject to the volatility of financial markets. Based on these risks it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets in liquidation available for benefits.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Reporting - The Plan's financial statements and the Annual Return / Report of Employee Benefit Plan – Form 5500 have been prepared on the accrual basis of accounting. The Plan termination effective August 31, 2011 requires that the financial statements basis of presentation be changed to a liquidation basis of accounting. Due to the nature of the investments held after the effective date of termination, the fair value of the assets held approximates liquidation value, accordingly no liquidation value adjustment was deemed appropriate by Management.

Payment of Benefits - Benefits are recorded when paid.

Investment Valuation and Income Recognition - The Plan's investments are stated at liquidation value as of December 31, 2011. For the year ended December 31, 2010, the Jack B. Kelley, Inc. common stock held by the Plan is stated at fair value based on an appraisal of the stock by Clifton Gunderson LLP, an independent appraisal firm. Fair value is the price that would be received to sell in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation / depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Administrative Expenses - Expenses incurred in the investment of the assets of the Plan shall be deducted from the general Trust assets. As of December 31, 2011, legal and accounting fees in anticipation of Plan termination during 2012 were accrued in the amount of \$55,540.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Subsequent Events - Plan management has evaluated subsequent events through October 5, 2012, which is the date the financial statements were available to be issued.

C. NONPARTICIPANT DIRECTED INVESTMENTS:

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

	December 31,	
	<u>2011</u>	<u>2010</u>
Fair value as determined by unrelated third party:		
Common Stock of Jack B. Kelley, Inc.	\$ -	\$ 3,953,854
Liquidation value as determined by quoted market price:		
Federated Prime Management Obl IS Fund #17	2,844,208	-

All investments and changes in assets available for benefits including all amounts in liquidation as presented in these financial statements reflect activity related to nonparticipant directed investments.

D. FAIR VALUE MEASUREMENTS:

The authoritative accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the authoritative accounting guidance are described as follows:

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

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

D. FAIR VALUE MEASUREMENTS (CONTINUED):

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

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

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

For the year ended December 31, 2011, investments are stated at liquidation value (which is also fair value) due to the termination of the Plan. The investments are stated at fair value as of December 31, 2010. The methodologies used are as follows:

Money market account - Money market accounts are stated at cost (liquidation value).

Common stock of Jack B. Kelley, Inc. - No Company stock was held as of December 31, 2011. Stock was valued at \$69.31 per share as of December 31, 2010, which was determined by reference to an independent appraisal. The independent appraiser has valued the common stock based on three approaches for valuing closely held business: asset based approach, income based approach, and market based approach.

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

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

Assets Measured at Liquidation Value at December 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Account	\$ 2,844,208	\$ -	\$ -	\$ 2,844,208

Assets Measured at Fair Value at December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock of Jack B. Kelley, Inc.	\$ -	\$ -	\$ 3,953,854	\$ 3,953,854

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

D. FAIR VALUE MEASUREMENTS (CONTINUED):

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

Level 3 Assets for Year Ended December 31, 2011	<u>Common Stock of Jack B. Kelley, Inc.</u>
Balance at January 1, 2011	\$ 3,953,854
Total gains or losses (realized or unrealized) included in net assets available for benefits	1,702,640
Purchases	-
Sales, issuances, settlements, and transfers from unallocated to allocated (net)	<u>(5,656,494)</u>
Balance at December 31, 2011	<u>\$ -</u>

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2010:

Level 3 Assets for Year Ended December 31, 2010	<u>Common Stock of Jack B. Kelley, Inc.</u>
Balance at January 1, 2010	\$ 1,718,948
Total gains or losses (realized or unrealized) included in net assets available for benefits	2,474,082
Purchases, sales, issuances, settlements, and transfers from unallocated to allocated (net)	<u>(239,176)</u>
Balance at December 31, 2010	<u>\$ 3,953,854</u>

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

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended December 31, 2011, there were no significant transfers into or out of Level 3.

D. TRANSACTIONS WITH PARTIES-IN-INTEREST:

Certain legal and accounting fees and certain administrative expenses relating to the maintenance of participant eligibility records are absorbed by the Company. Other than as described above or pursuant to a trust agreement, the Plan has no agreements or transactions with any parties-in-interest.

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

NOTES TO FINANCIAL STATEMENTS

E. PLAN TERMINATION:

The Company's shareholders entered into an agreement to sell the Company's stock to a third party which was consummated effective August 31, 2011. During the year ended December 31, 2011, the Plan received aggregate proceeds of \$5,355,614, net of funds which were held in escrow approximating \$451,000. The amount of escrow released and deposited into the Plan on October 1, 2012, net of the settled working capital purchase price adjustment was \$300,880. This amount will be allocated among the participant in accordance with the plan document. This brings the total net proceeds from the sale of the Jack B. Kelley, Inc. Stock to \$5,656,494.

In connection with these transactions, the Trustee was directed to distribute the participants' respective account balances to them. The Plan initiated a 50% distribution of each participants account balance in 2011. An application was filed with the Internal Revenue Service (IRS) for approval of the dissolution of the Plan. When IRS approval is granted, the remaining 50% of each participant's account balance will be distributed. This is expected to occur in 2013.

F. INCOME TAX STATUS:

The Plan's latest determination letter is dated May 17, 2011. The Internal Revenue Service ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, currently not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The authoritative accounting guidance requires the plan administrator to evaluate uncertain tax positions taken by the Plan. The plan administrator has concluded that as of December 31, 2011, there were no uncertain income tax positions taken or expected to be taken by the Plan. The Plan has not recognized any interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Currently, the 2008, 2009 and 2010 tax years are open and subject to examination by the Internal Revenue Service.

G. RISKS AND UNCERTAINTIES:

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

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(Form 5500 - Schedule H - Part IV, Line 4(i))

December 31, 2011

(See Independent Auditors' Report)

(a)	Identity of Issuer Borrower, Lessor or Similar Party (b)	Description Including Number of Shares and Interest Rates (c)	Cost (d)	Current Value (e)
MONEY MARKET ACCOUNT:				
*	Federated Prime Management Obl IS Fund #17	2,844,208	\$ 2,844,208	\$ 2,844,208

* Identifies First Bankers Trust Services as party-in-interest to the Plan.

JACK B. KELLEY, INC.
FROZEN CAPITAL ACCUMULATION PLAN
(Employer Federal ID #75-1307457, Plan #002)

SCHEDULE OF REPORTABLE TRANSACTIONS

(Form 5500 - Schedule H - Part IV, Line 4(j))

Year Ended December 31, 2011

(See Independent Auditors' Report)

Identity of Party Involved	Description of Assets	Number of Transactions
(a)	(b)	
Category 1:		
A single transaction within the plan year in excess of 5% of the current value of the plan assets		
Sales		
* Jack B. Kelley, Inc.	Common Stock of Jack B. Kelley, Inc. - 57,046 common shares	1
Purchases		
* First Bankers Trust	Federated Prime Management Obl IS Fund #17	1

* Identifies parties-in-interest to the Plan.

Purchase price (c)	Selling price (d)	Expenses incurred with transaction (f)	Cost of asset (g)	Current Value (h)	Net Gain or (Loss) (i)
	\$ 5,656,494	\$ 72,290	\$ 1,503,160	\$ 5,656,494	\$ 4,081,044
\$ 5,355,614			\$ 5,355,614	\$ 5,355,614	\$ -

PLAN SPONSOR: JACK B. KELLEY, INC.
EIN: 75-1307457
PLAN NAME: JACK B KELLEY, INC FROZEN CAPITAL ACCUMULATION PLAN

PLAN NUMBER: 002

Schedule H, Line 4i - Schedule of Assets (Held At End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	FIRST BANKERS TRUST SERVICES	SEE FINANCIAL STATEMENTS		

PLAN SPONSOR: JACK B KELLEY, INC.
EIN: 75-1307457
PLAN NAME: JACK B. KELLEY, INC. FROZEN ACCUMULATION PLAN

PLAN NUMBER: 002

Schedule of Reportable Transactions

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
JACK B. KELLEY, INC.								

SEE FINANCIAL STATEMENTS