

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

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>XO COMMUNICATIONS 401(K) SAVINGS AND RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>333</u> 1c Effective date of plan <u>01/01/1995</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>XO COMMUNICATIONS SERVICES, LLC</u> <u>13865 SUNRISE VALLEY DRIVE</u> <u>HERNDON, VA 20171-4661</u>	2b Employer Identification Number (EIN) <u>91-2019476</u> 2c Sponsor's telephone number <u>703-547-2434</u> 2d Business code (see instructions) <u>517000</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2012</u>	<u>KRISTI JUNG</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2012</u>	<u>KRISTI JUNG</u>
	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") XO COMMUNICATIONS SERVICES, LLC 13865 SUNRISE VALLEY DRIVE HERNDON, VA 20171-4661	3b Administrator's EIN 91-2019476 3c Administrator's telephone number 703-547-2434
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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 XO COMMUNICATIONS SERVICES, INC.	4b EIN 91-2019476 4c PN 333	
5 Total number of participants at the beginning of the plan year	5	5066
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	3515
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	1401
d Subtotal. Add lines 6a , 6b , and 6c	6d	4916
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	4919
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	4463
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	270
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 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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)** ☒ **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 XO COMMUNICATIONS 401(K) SAVINGS AND RETIREMENT PLAN	B Three-digit plan number (PN) ▶	333
C Plan sponsor's name as shown on line 2a of Form 5500 XO COMMUNICATIONS SERVICES, LLC	D Employer Identification Number (EIN) 91-2019476	

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)

PACIFIC PORTFOLIO CONSULTING LLC

TWO UNION SQUARE
601 UNION STREET, SUITE 4343
SEATTLE, WA 98101

(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?
16 50	NONE	26562	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

T. ROWE PRICE RPS, INC.

100 E. PRATT STREET
BALTIMORE, MD 21202

(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 21 25 28 37 38 49 50 52 59 62 63 64 65	NONE	25990	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

CURTIS, MALLET-PREVOST, COLT & MOSL

101 PARK AVENUE # 34
NEW YORK, NY 10178

(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?
29 50	NONE	8309	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)

FIDELITY ONE DESTINY WAY WAJ37 WESTLAKE, TX 76262						
(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

HARBOR CAPITAL 111 SOUTH WACKER DRIVE 34TH FLOOR CHICAGO, IL 60606						
(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

NUVEEN 333 W. WACKER DR CHICAGO, IL 60606						
(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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)

BARON FUNDS

767 FIFTH AVENUE
49TH FLOOR
NEW YORK, NY 10153

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

INVESCO

P.O. BOX 219078
KANSAS CITY, MO 64121

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

VANGUARD GROUP

INSTITUTIONAL-INTERMEDIARIES GROUP
POST OFFICE BOX 1110
VALLEY FORGE, PA 19482

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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)

PIMCO FUNDS

840 NEWPORT CENTER DRIVE
SUITE 300
NEWPORT BEACH, CA 92660

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

JANUS FUNDS

151 DETROIT STREET
DENVER, CO 80206

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

THORNBURG FUNDS

2300 NORTH RIDGETOP ROAD
SANTA FE, NM 87506

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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)

OAKMARK

P.O. BOX 219558
KANSAS CITY, MO 64121

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

AMERICAN FUNDS

5300 ROBIN HOOD ROAD
NORFOLK, VA 23513

(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?
28 59	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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
VANGUARD GROUP	28 59	0
(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.
VANGUARD MID CAP INDEX - SIGNAL INSTITUTIONAL-INTERMEDIARIES GROUP POST OFFICE BOX 1110 VALLEY FORGE, PA 19482	INVESTMENT MANAGEMENT FEE BASED ON 0.12%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
VANGUARD GROUP	28 59	0
(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.
VANGUARD SMALL CAP INDEX - SIGNAL INSTITUTIONAL-INTERMEDIARIES GROUP POST OFFICE BOX 1110 VALLEY FORGE, PA 19482	INVESTMENT MANAGEMENT FEE BASED ON 0.17%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
INVESCO	28 59	0
(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.
INVESCO US SM CAP VAL - A (CLOSED) P.O. BOX 219078 KANSAS CITY, MO 64121	INVESTMENT MANAGEMENT FEE BASED ON 1.03%	

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
BARON FUNDS	28 59	0
(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.
BARON GROWTH 767 FIFTH AVENUE 49TH FLOOR NEW YORK, NY 10153	INVESTMENT MANAGEMENT FEE BASED ON 1.32%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NUVEEN	28 59	0
(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.
NUVEEN REAL ESTATE - A 333 W. WACKER DR CHICAGO, IL 60606	INVESTMENT MANAGEMENT FEE BASED ON 1.29%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
HARBOR CAPITAL	28 59	0
(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.
HARBOR INTERNATIONAL - INSTITUTIONA 111 SOUTH WACKER DRIVE 34TH FLOOR CHICAGO, IL 60606	INVESTMENT MANAGEMENT FEE BASED ON 0.79%	

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
FIDELITY	28 59	0
(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.
FIDELITY CON/SPARTAN INT'L INDEX ONE DESTINY WAY WAJ37 WESTLAKE, TX 76262	INVESTMENT MANAGEMENT FEE BASED ON 0.2%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN FUNDS	28 59	0
(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.
AFS GROWTH FUND OF AMERICA - R-4 5300 ROBIN HOOD ROAD NORFOLK, VA 23513	INVESTMENT MANAGEMENT FEE BASED ON 0.68%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
INVESCO	28 59	0
(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.
INVESCO VAN KAMPEN SMALL CAP VALUE P.O. BOX 219078 KANSAS CITY, MO 64121	INVESTMENT MANAGEMENT FEE BASED ON 1.03%	

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
VANGUARD GROUP	28 59	0
(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.
VANGUARD INDEX, INSTL INSTITUTIONAL-INTERMEDIARIES GROUP POST OFFICE BOX 1110 VALLEY FORGE, PA 19482	INVESTMENT MANAGEMENT FEE BASED ON 0.04%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
OAKMARK	28 59	0
(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.
OAKMARK EQUITY AND INCOME P.O. BOX 219558 KANSAS CITY, MO 64121	INVESTMENT MANAGEMENT FEE BASED ON 0.79%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
THORNBERG FUNDS	28 59	0
(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.
THORNBURG INTERNATIONAL VALUE - R5 2300 NORTH RIDGETOP ROAD SANTA FE, NM 87506	INVESTMENT MANAGEMENT FEE BASED ON 0.99%	

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
JANUS FUNDS	28 59	0
(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.
PERKINS MID-CAP VALUE FUND- T	151 DETROIT STREET DENVER, CO 80206	INVESTMENT MANAGEMENT FEE BASED ON 1%
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
PIMCO FUNDS	28 59	0
(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.
PIMCO TOTAL RETURN, ADM	840 NEWPORT CENTER DRIVE SUITE 300 NEWPORT BEACH, CA 92660	INVESTMENT MANAGEMENT FEE BASED ON 0.71%
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
VANGUARD GROUP	28 59	0
(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.
VANGUARD TOTAL BOND MARKET INDEX -	INSTITUTIONAL-INTERMEDIARIES GROUP POST OFFICE BOX 1110 VALLEY FORGE, PA 19482	INVESTMENT MANAGEMENT FEE BASED ON 0.11%

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
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
NUVEEN REAL ESTATE - A 333 W. WACKER DR CHICAGO, IL 60606	SHAREHOLDER SERVICING FEE BASED ON 0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
HARBOR INTERNATIONAL - INSTITUTIONA 111 SOUTH WACKER DRIVE 34TH FLOOR CHICAGO, IL 60606	SHAREHOLDER SERVICING FEE BASED ON 0.1%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
AFS GROWTH FUND OF AMERICA - R-4 5300 ROBIN HOOD ROAD NORFOLK, VA 23513	SHAREHOLDER SERVICING FEE BASED ON 0.35%	

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
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
INVESCO VAN KAMPEN SMALL CAP VALUE P.O. BOX 219078 KANSAS CITY, MO 64121		SHAREHOLDER SERVICING FEE BASED ON 0.35%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
OAKMARK EQUITY AND INCOME P.O. BOX 219558 KANSAS CITY, MO 64121		SHAREHOLDER SERVICING FEE BASED ON 0.35%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0
(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.
THORNBURG INTERNATIONAL VALUE - R5 2300 NORTH RIDGETOP ROAD SANTA FE, NM 87506		SHAREHOLDER SERVICING FEE BASED ON 0.35%

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
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0

(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.
PERKINS MID-CAP VALUE FUND- T 151 DETROIT STREET DENVER, CO 80206	SHAREHOLDER SERVICING FEE BASED ON 0.25%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 59 62 63 64 65	0

(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.
PIMCO TOTAL RETURN, ADM 840 NEWPORT CENTER DRIVE SUITE 300 NEWPORT BEACH, CA 92660	SHAREHOLDER SERVICING FEE BASED ON 0.25%

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	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 XO COMMUNICATIONS 401(K) SAVINGS AND RETIREMENT PLAN				B Three-digit plan number (PN) ▶ 333	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 XO COMMUNICATIONS SERVICES, LLC				D Employer Identification Number (EIN) 91-2019476	
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 VALUE FUND					
b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY					
c EIN-PN 52-1309931-001		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31136226	
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)	
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	

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 <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>XO COMMUNICATIONS 401(K) SAVINGS AND RETIREMENT PLAN</u>		B Three-digit plan number (PN) ► 333
C Plan sponsor's name as shown on line 2a of Form 5500 <u>XO COMMUNICATIONS SERVICES, LLC</u>		D Employer Identification Number (EIN) <u>91-2019476</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		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	288231	0
	(2) Participant contributions	1b(2)	478952	0
	(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)	7200169	7911347
	(9) Value of interest in common/collective trusts.....	1c(9)	29044087	31136226
	(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)	161804429	164906589
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	198815868	203954162

Liabilities

g Benefit claims payable	1g		69593
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	69593

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	198815868	203884569
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5759701	
(B) Participants	2a(1)(B)	18629791	
(C) Others (including rollovers)	2a(1)(C)	881493	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		25270985
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)	368132	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		368132
(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)	6171659	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		6171659
(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)		911988
(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)		-9500328
c Other income.....	2c		13927
d Total income. Add all income amounts in column (b) and enter total.....	2d		23236363

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	18101421	
(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)		18101421
f Corrective distributions (see instructions)	2f		869
g Certain deemed distributions of participant loans (see instructions).....	2g		1810
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	8309	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	25990	
(4) Other	2i(4)	29263	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		63562
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		18167662

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5068701
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: GRANT THORNTON

(2) EIN: 36-6055558

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
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>XO COMMUNICATIONS 401(K) SAVINGS AND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>XO COMMUNICATIONS SERVICES, LLC</u>	D Employer Identification Number (EIN) <u>91-2019476</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>52-1481931</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XO Communications 401(k) Savings and Retirement Plan
Plan Sponsor EIN: 91-2019476
ERISA Plan Number: 333

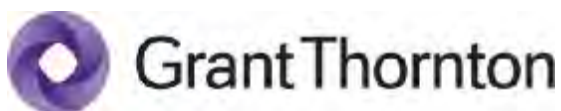
XO Communications 401(k) Savings and Retirement Plan

Financial Statements and Supplemental Schedule
For the year ended December 31, 2011

XO Communications 401(k) Savings and Retirement Plan

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Report of Independent Certified Public Accountants

Plan Administrator
XO Communications 401(k) Savings and Retirement Plan

Audit - Tax - Advisory

Grant Thornton LLP
2010 Corporate Ridge, Suite 400
McLean, VA 22102-7838

T 703.847.7500
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We were engaged to audit the statements of net assets available for benefits of XO Communications 401(k) Savings and Retirement Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in notes C and D, which was certified by T. Rowe Price Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the certified plan assets and executes the related transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements, but is 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. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants 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.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is stylized, with the first letters of each word being capitalized and prominent.

McLean, Virginia
October 9, 2012

XO Communications 401(k) Savings and Retirement Plan

Statements of Net Assets Available for Benefits As of December 31,

Assets	2011	2010
Investments at fair value		
Investments in collective trust	\$ 31,136,226	\$ 29,044,087
Investments in mutual funds	164,906,589	161,804,429
Total investments	<u>196,042,815</u>	<u>190,848,516</u>
Receivables		
Participant contributions	-	478,952
Employer contributions	-	288,231
Notes receivable from participants	7,911,347	7,200,169
Total receivables	<u>7,911,347</u>	<u>7,967,352</u>
Net assets available for benefits at fair value	<u>203,954,162</u>	<u>198,815,868</u>
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(1,085,866)	(1,049,775)
Net assets available for benefits	<u>\$ 202,868,296</u>	<u>\$ 197,766,093</u>

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

XO Communications 401(k) Savings and Retirement Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2011

Additions to net assets attributed to:

Investment loss:

Net depreciation in fair value of investments	\$ (9,500,328)
Interest and dividends	7,047,556
Other income	13,927
Total investment loss	<u>(2,438,845)</u>

Interest income on notes receivable from participants	368,132
--	---------

Contributions:

Participant contributions	18,629,791
Employer contributions	5,759,701
Participant rollovers	881,493
Total Contributions	<u>25,270,985</u>

Total additions	<u>23,200,272</u>
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Deductions from net assets attributed to:

Benefits paid to participants	18,033,638
Excess contributions	869
Administrative expenses	63,562

Total deductions	<u>18,098,069</u>
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Net increase	5,102,203
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Net assets available for benefits, beginning of year	<u>197,766,093</u>
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Net assets available for benefits, end of year	<u><u>\$ 202,868,296</u></u>
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The accompanying notes are an integral part of these financial statements.

XO Communications 401(k) Savings and Retirement Plan

Notes to Financial Statements December 31, 2011 and 2010

NOTE A – PLAN DETAILS

Plan Description

The following description of the XO Communications 401(k) Savings and Retirement Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

Overview

The Plan was established as a defined contribution plan on January 1, 1995 and was amended and restated on January 1, 2006, in accordance with Section 401(a) of the Internal Revenue Code (“IRC”). The Plan covers “eligible employees,” as defined by the Plan, of XO Communications, Inc. and its subsidiaries (the “Company” or “XO”). On February 28, 2006, as a result of a restructuring merger, XO Communications, Inc. merged with and into XO Communications, LLC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan was amended effective January 1, 2009 to adopt the required changes of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 and the Workers, Retiree and Employer Recovery Act of 2008.

Plan Administration

T. Rowe Price Trust Company and T. Rowe Price Retirement Plan Services, Inc. (collectively referred to as “T. Rowe”) are the trustee and recordkeeper, respectively, for the Plan.

Eligibility

Employees of the Company are eligible to participate in the Plan upon their date of hire as defined in the Plan document. Participants are eligible to receive applicable employer-matching contributions immediately upon Plan participation.

Contributions

Participants may elect to defer on a pretax basis up to 50% of their eligible pay-period compensation to any of the funds in which the Plan has invested, subject to limits detailed in the Internal Revenue Code (“IRC”). Upon hiring, all employees of the Company are automatically enrolled to participate in the Plan for purposes of making a predefined compensation reduction contribution (“salary deferral”). Effective September 1, 2007, an amendment to the Plan increased the salary deferral percentage automatically applied to enrolled employees hired on or after September 1, 2007 from 2% to 3% of compensation as determined after 60 days of employment. The Plan was subsequently amended to increase the salary deferral percentage for these employees 1% on each May 15th subsequent to the hire date to a maximum of 5% (6% for highly compensated employees) unless the employee chooses not to participate in the Plan, or elects to contribute a greater or lesser amount.

The Company provides a matching contribution for each pay period equal to 50% of the participant’s eligible contributions up to a maximum of 5% of the participant’s eligible compensation. Both participant and employer contributions are subject to limitations that must comply with the nondiscrimination requirements of the IRC.

Vesting

Participants are immediately vested in their contributions and actual earnings thereon. Vesting in the Company's discretionary matching contributions is based on years of continuous service according to the following schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
1 year but less than 2	30%
2 years but less than 3	60%
3 years or more	100%

Participants will also have a 100% vested interest in the Company's discretionary matching contributions upon reaching normal retirement age, disability, or death prior to termination.

Notes Receivable from Participants

A participant may borrow from his or her fund balance a minimum of \$1,000 up to a maximum of the lesser of (a) one-half of the vested portion of the participant's account or (b) \$50,000 minus the excess of the highest outstanding loan balance during the previous twelve months over the outstanding balance of loans from the Plan. The loans are secured by the balance in the participant's account. Principal and interest are typically repayable through payroll deductions over periods ranging up to five years, unless the loan is for the purchase of a primary residence, in which case the loan may be repaid over fifteen years. The interest rate is fixed and is determined by the rate that is equal to the prime interest rate quoted in the *Wall Street Journal* on the date the loan is requested, plus 1%. A participant may make payments directly to the trustee provided the participant is on an approved leave of absence. As of December 31, 2011 and 2010, interest rates on participant loans were between 4.25% and 9.25%. In the event of retirement, death, disability, or termination of employment, the loan becomes payable in full.

Forfeited Accounts

Forfeitures are included in investments and consist of that portion of a participant's account representing employer contributions which are not vested upon termination from service. These amounts may be used to either reduce future employer contributions or pay administrative expenses of the Plan. During 2011, there were \$34,512 of forfeitures used to pay for Plan administrative expenses and \$372,569 forfeitures were used to offset Plan employer contributions. Forfeitures available to reduce future employer contributions or pay administrative expenses as of December 31, 2011 were \$194,135.

Rollovers

Participants are permitted to transfer amounts representing distributions from other qualified plans to the Plan.

Distributions

Benefit distributions are recorded when payments are made by the Plan. Upon termination of service due to death, disability, or retirement, a participant, or in the event of death, his or her designated beneficiary may elect to receive a lump-sum amount equal to the full value of the participant's account balance or installment payments for a fixed period not to extend beyond the participant's life expectancy. For termination of service for other reasons, a participant may receive the value of his or her vested balance in his or her participant account. The Plan permits "in-service withdrawals" in the case of rollover accounts, attainment of age 59 ½ and hardship withdrawals.

Participant Accounts

Individual accounts are maintained by T. Rowe for each of the Plan's participants to reflect the participant's contributions and related employer matching contributions, any participant's loans and repayments, as well as the participant's share of the Plan's investment income and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Administrative Expenses

Except for certain costs associated with participant initiated transactions, administrative expenses of the Plan are paid by the Plan. Administrative expenses in 2011 were \$63,562. The Company also provides administrative support at no cost to the Plan.

Subsequent Events

The Plan evaluated its December 31, 2011 financial statements for subsequent events through October 9, 2012, the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

As described in Accounting Standards Codification (“ASC”) 946, *Financial Services-Investment Companies* and ASC 962-325-35-1, *Plan Accounting - Defined Contribution Pension Plans*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully-benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in a collective trust fund which holds fully benefit-responsive contracts. The Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust as well as the adjustment from fair value to contract value, if any. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standard Board (“FASB”) issued a new accounting standard which clarifies certain existing disclosure requirements and requires additional disclosures regarding fair value measurements. The new accounting standard clarifies that fair value measurement disclosures should be presented separately for each class of assets and liabilities and also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, the new accounting standard introduces new requirements to disclose the amounts and reasons for any significant transfers between Level 1, 2 and 3 of the fair value hierarchy and present information regarding purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. The new accounting standard is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the reconciliation of recurring Level 3 measurements on a gross basis (which was effective for fiscal years and interim periods beginning after December 15, 2010). The Plan adopted the gross basis presentation of the standard for the year ended December 31, 2010. The adoption of the rest of the standard did not have a material impact to the Plan’s financial statements.

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (“Topic 820”): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This guidance amends the application of existing fair value measurement requirements, while other amendments change a particular principle in existing fair value measurement guidance. In addition, this guidance requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of the amended guidance will have on the Plan’s financial statements.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for plan benefits during the reporting period. Such estimates include those related to fair value of investments, liabilities, contingencies, and collectability of loans. Actual results could differ from these estimates.

Risk 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 reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amount reported in the Statements of Net Assets Available for Plan Benefits.

Investment Valuation & Income Recognition

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

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

Notes Receivable from Participants

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

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

NOTE C – INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

At December 31, 2011 and 2010 and for the year ended December 31, 2011, T. Rowe Price Trust Company was the trustee of the Plan and has certified that the following information included in the financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010;
- Investment loss and interest income on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011; and
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

NOTE D – INVESTMENTS

The fair value of investments representing 5% or more of the Plan's net assets as certified by the trustee as of December 31:

	2011	2010
Harbor International Fund	\$ 12,729,702	\$ 14,179,148
T. Rowe Price Media & Telecommunications	15,134,211	15,520,678
Pimco Total Return Admin	18,364,263	17,086,986
Baron Growth Fund	16,400,507	15,814,953
T Rowe Price Dividend Growth Fund	13,976,009	13,016,166
T Rowe Price Equity Income Fund	16,416,169	16,178,772
American Growth Fund of America	15,359,360	15,569,170
Invesco US Small Capital Value A	-	13,512,651
Invesco Van Kamp Small Capital Value A	12,255,341	-
Oakmark Equity and Income	14,085,651	13,412,710
T. Rowe Price Stable Value Fund	31,136,226	29,044,087
Other**	30,185,376	27,513,195
	<u>\$ 196,042,815</u>	<u>\$ 190,848,516</u>

****Aggregate of funds representing less than 5% of net assets individually**

During the year ended December 31, 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) decreased in value by (\$9,500,328), as certified by the trustee.

NOTE E – FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

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

Level 2 Inputs to valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets 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 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.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end based on quoted market prices.

Collective Trust Fund: The T. Rowe Price Stable Value Fund ("SVF") is stated at fair value and then adjusted to contract value. Fair value is measured at the NAV per unit based on the fair value of the underlying investments, and contract value is the principal plus accrued interest. (See Note F.)

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 measurement at the reporting date.

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

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Intermediate-Term Bond	\$ 19,958,749	\$ -	\$ -	\$ 19,958,749
Balanced Growth	15,359,360	-	-	15,359,360
Balanced Value	14,085,651	-	-	14,085,651
International Stock-Blend	456,714	-	-	456,714
International Stock-Value	20,674,769	-	-	20,674,769
Large Cap-Blend	13,976,009	-	-	13,976,009
Large Cap-Stock Growth	8,322,013	-	-	8,322,013
Large Cap-Stock Value	16,416,169	-	-	16,416,169
Mid Cap-Stock Growth	2,088,956	-	-	2,088,956
Mid Cap-Stock Value	564,489	-	-	564,489
Small Cap-Stock Growth	17,385,747	-	-	17,385,747
Small Cap-Stock Value	12,255,341	-	-	12,255,341
Specialty-Other	15,134,211	-	-	15,134,211
Specialty-Real Estate	4,119,288	-	-	4,119,288
Retirement Income	321,557	-	-	321,557
Target-Date	3,787,566	-	-	3,787,566
Collective Trust				
Stable Value Fund	-	-	31,136,226	31,136,226
Total Assets at Fair Value	\$ 164,906,589	\$ -	\$ 31,136,226	\$ 196,042,815

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Intermediate-Term Bond	\$ 17,897,143	\$ -	\$ -	\$ 17,897,143
Balanced Growth	15,569,170	-	-	15,569,170
Balanced Value	13,412,710	-	-	13,412,710
International Stock-Blend	352,235	-	-	352,235
International Stock-Value	23,317,230	-	-	23,317,230
Large Cap-Blend	13,016,166	-	-	13,016,166
Large Cap-Stock Growth	7,857,480	-	-	7,857,480
Large Cap-Stock Value	16,178,772	-	-	16,178,772
Mid Cap-Stock Growth	1,438,791	-	-	1,438,791
Mid Cap-Stock Value	439,823	-	-	439,823
Small Cap-Stock Growth	16,509,076	-	-	16,509,076
Small Cap-Stock Value	13,512,651	-	-	13,512,651
Specialty-Other	15,520,678	-	-	15,520,678
Specialty-Real Estate	3,553,198	-	-	3,553,198
Retirement Income	86,614	-	-	86,614
Target-Date	3,142,692	-	-	3,142,692
Collective Trust				
Stable Value Fund	-	-	29,044,087	29,044,087
Total Assets at Fair Value	\$ 161,804,429	\$ -	\$ 29,044,087	\$ 190,848,516

The following table represents the Plan's fair value rollforward of investments designated as Level 3 for the year ended December 31, 2011:

Year ended December 31, 2011	Collective Trust Fund	
Balance, beginning of year	\$	29,044,087
Purchases		10,985,812
Sales		(9,805,660)
Dividends		875,897
Net appreciation – change in contract value to fair value adjustment		36,090
Balance, end of year	<u>\$</u>	<u>31,136,226</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2011 and 2010, there were no transfers in or out of Levels 1, 2 or 3.

NOTE F – INVESTMENT IN STABLE VALUE COLLECTIVE TRUST FUND

The Plan invests in a Stable Value Collective Trust Fund (“the Fund”) managed by T. Rowe Price that is a collective trust fund. The investment objectives of the trust are to maximize current income consistent with the maintenance of principal and to provide for withdrawals for certain participant-initiated transactions under a retirement plan without penalty or adjustment. The Fund invests primarily in synthetic investment contracts (“SICs”), traditional guaranteed investment contracts (“GICs”), and separate account contracts (“SACs”). Since the issuer guarantees that all qualified participant withdrawals will be made at contract value, SICs, GICs and SACs are considered fully benefit-responsive investment contracts. A GIC is an investment contract designed to provide a fixed return on principal invested for a specified period of time. The issuer of a traditional contract is a financially responsible counterparty, typically an insurance company or bank. In contrast with traditional investment contracts, the investments underlying a SIC are owned by the trust. SICs consist of (1) a portfolio of underlying assets (and/or shares of a mutual fund or units of a collective investment trust) owned by the trust and (2) a wrap contract issued by a financially responsible third party, typically a bank, insurance company, or other financial institution. A SAC is an investment contract typically issued by an insurance company or other financial institution which guarantees liquidity at contract value for permitted participant initiated withdrawals from the trust and provides for a variable crediting rate, not less than zero, based on performance of an underlying portfolio of investments.

Participants’ ownership of the Fund is represented as units. Units are issued and redeemed daily at the Fund’s constant NAV of \$1 per unit. The Fund allows for daily liquidity with no additional days notice required for redemption. It is the policy of the Fund to use its best efforts to maintain a stable NAV of \$1 per unit; although there is no guarantee that the Fund will be able to maintain this value. There are no unfunded commitments with respect to the Plan’s investment in the Fund.

The average yield of the Fund was approximately 2.69% and 3.65% at December 31, 2011 and 2010, respectively. This represents the annualized earnings of all investments in the Fund, divided by the fair value of all investments in the Fund. The average yield of the Fund with an adjustment to reflect the actual interest rate credited to participants was approximately 2.97% and 4.10% at December 31, 2011 and 2010, respectively. This represents the annualized earnings credited to participants in the Fund, divided by the fair value of all investments in the Fund.

The existence of certain conditions can limit the Fund's ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the Fund that causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of the Fund or a unit holder, tax disqualification of the Fund or a unit holder, and certain Fund amendments if issuers' consent is not obtained. As of December 31, 2011, the occurrence of an event outside the normal operation of the Fund which would cause a withdrawal from an investment contract is not considered to be probable. To the extent a unit holder suffers a tax disqualification or legal termination event, under normal circumstances, it is anticipated that liquid assets would be available to satisfy the redemption of such unit holder's interest in the Fund without the need to access investment contracts. In addition to the limitations noted above, issuers of investment contracts have certain rights to terminate a contract and settle at an amount that differs from contract value. For example, certain breaches by the Fund of its obligations, representations, or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts also may provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law. SICs and SACs also may provide issuers with the right to reduce contract value in the event an underlying investment suffers a credit event or the right to terminate the contract in the event certain investment guidelines are materially breached and not cured.

There is also no guarantee that the Fund will always be able to have SICs in place with respect to its fixed income securities or that it will be able to invest the desired portion of its assets in investment contracts that are fully benefit responsive. For example, a SIC or SAC issuer may suffer a bankruptcy or other significant credit event that causes the Fund to no longer be permitted to utilize contract value for such contract. In the event a replacement from another issuer cannot be secured, the Fund will have to recognize currently the fair value of certain assets, possibly including the contract and/or underlying assets. These values may be less than contract value and could result in a loss of principal and/or reduction in earnings with respect to unit holders' investment in the Fund. Further, in the case of a SAC, the Fund could experience a delay in accessing the assets in the underlying separate account, which, in turn, could result in a further loss of value or earnings. Similarly, a loss of principal or reduction of earnings could occur as a result of a GIC issuer's bankruptcy or other significant credit event that causes the issuer to not satisfy its payment obligations. The occurrence of any such event which would limit the Plan's ability to transact at contract value with the participant is not probable. The Fund does not have unfunded commitments or significant restrictions or redemptions. There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

NOTE G – TAX STATUS

The Company received a favorable tax determination letter from the Internal Revenue Service dated January 13, 2011. Although the Plan has been amended subsequent to the date of the latest determination from the IRS, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE H – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination, no further contributions may be made to the Plan. In the event of Plan termination, participants would become fully vested in their accounts.

NOTE I – PARTY-IN-INTEREST TRANSACTIONS

As of December 31, 2011 and 2010, the trustee manages certain Plan investments which total \$82,290,630 and \$77,952,229, respectively; therefore, these transactions qualify as party-in-interest transactions and are exempt from the prohibited transaction rules of ERISA.

NOTE J – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the net increase in net assets per the financial statements to the Form 5500, for the year ended December 31, 2011:

Net increase in net assets per financial statements	\$	5,102,203
Add: Adjustment from contract value to fair value for common collective trust		1,085,866
Less: 2010 adjustment from contract value to fair value for common collective		(1,049,775)
Amounts allocated to persons who have elected to withdraw from the plan but have not yet been paid		(69,593)
Net increase in net assets per the Form 5500	\$	<u>5,068,701</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500, for the years ended December 31, 2011 and 2010:

Net assets available for benefits per the 2011 financial statements	\$	202,868,296
Add: Adjustment from contract value to fair value for common collective trust		1,085,866
Less: Amounts allocated to persons who have elected to withdraw from the plan but have not yet been paid		(69,593)
Net assets available for benefits per the 2011 Form 5500	\$	<u>203,884,569</u>
Net assets available for benefits per the 2010 financial statements	\$	197,766,093
Add: Adjustment from contract value to fair value for common collective trust		1,049,775
Net assets available for benefits per the 2010 Form 5500	\$	<u>198,815,868</u>

SUPPLEMENTAL SCHEDULE

XO Communications 401(k) Savings and Retirement Plan

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

EIN: 91-2019476

Plan No. 333

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current Value
Harbor Funds	Harbor International Fund	\$ 12,729,702
T. Rowe Price*	Media & Telecommunications	15,134,211
Pimco Investments	Total Return Admin	18,364,263
Baron Funds	Growth Fund	16,400,507
T. Rowe Price*	Dividend Growth Fund	13,976,009
T. Rowe Price*	Equity Income Fund	16,416,169
American Funds	Growth Fund of America	15,359,360
Invesco Van Kamp	US Small Capital Value A	12,255,341
Oakmark Funds	Oakmark Equity and Income	14,085,651
T. Rowe Price*	Stable Value Fund	31,136,226
T. Rowe Price*	Retirement Income Fund	321,557
T. Rowe Price*	Retirement 2005 Fund	75,813
T. Rowe Price*	Retirement 2010 Fund	88,268
T. Rowe Price*	Retirement 2015 Fund	85,810
T. Rowe Price*	Retirement 2020 Fund	829,657
T. Rowe Price*	Retirement 2025 Fund	624,285
T. Rowe Price*	Retirement 2030 Fund	521,858
T. Rowe Price*	Retirement 2035 Fund	697,506
T. Rowe Price*	Retirement 2040 Fund	444,614
T. Rowe Price*	Retirement 2045 Fund	350,313
T. Rowe Price*	Retirement 2050 Fund	57,451
T. Rowe Price*	Retirement 2055 Fund	11,992
Thornburg Investments	Thornburg International Value R5	7,945,067
Fidelity Investments	Spartan International Index Fund	456,714
T. Rowe Price*	Mid Cap Growth Fund	1,518,891
Nuveen Investments	Nuveen Real Estate	4,119,288
Janus	Perkins Mid Cap Value CL T	564,489
Vanguard	Vanguard TTL Bond Market Index Signal	1,594,486
Vanguard	Vanguard Institutional Index Fund	8,322,012
Vanguard	Vanguard Small Cap Index	985,240
Vanguard	Vanguard Mid Cap Ind Signal	570,065
Participant Loans	Range of interest rate 4.25% to 9.25%	7,911,347
		<u>\$ 203,954,162</u>

Note: Historical cost is not required to be presented for participant directed investments.

*Party- in-interest

Plan Name	XO Communications 401(k) Savings and Retirement Plan
Plan Sponsor EIN	91-2019476
ERISA Plan #	333
Plan Year Ending	December 31, 2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

XO Communications 401(k) Savings and Retirement Plan
Plan Sponsor EIN: 91-2019476
ERISA Plan Number: 333

XO Communications 401(k) Savings and Retirement Plan

Financial Statements and Supplemental Schedule
For the year ended December 31, 2011

XO Communications 401(k) Savings and Retirement Plan

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Report of Independent Certified Public Accountants

Plan Administrator
XO Communications 401(k) Savings and Retirement Plan

Audit – Tax – Advisory

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We were engaged to audit the statements of net assets available for benefits of XO Communications 401(k) Savings and Retirement Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in notes C and D, which was certified by T. Rowe Price Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the certified plan assets and executes the related transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements, but is 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. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants 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.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is stylized, with the first letters of each word being prominent.

McLean, Virginia
October 9, 2012

XO Communications 401(k) Savings and Retirement Plan

Statements of Net Assets Available for Benefits As of December 31,

Assets	2011	2010
Investments at fair value		
Investments in collective trust	\$ 31,136,226	\$ 29,044,087
Investments in mutual funds	164,906,589	161,804,429
Total investments	<u>196,042,815</u>	<u>190,848,516</u>
Receivables		
Participant contributions	-	478,952
Employer contributions	-	288,231
Notes receivable from participants	7,911,347	7,200,169
Total receivables	<u>7,911,347</u>	<u>7,967,352</u>
Net assets available for benefits at fair value	<u>203,954,162</u>	<u>198,815,868</u>
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(1,085,866)	(1,049,775)
Net assets available for benefits	<u>\$ 202,868,296</u>	<u>\$ 197,766,093</u>

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

XO Communications 401(k) Savings and Retirement Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2011

Additions to net assets attributed to:

Investment loss:

Net depreciation in fair value of investments	\$ (9,500,328)
Interest and dividends	7,047,556
Other income	13,927
Total investment loss	<u>(2,438,845)</u>

Interest income on notes receivable from participants	368,132
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Contributions:

Participant contributions	18,629,791
Employer contributions	5,759,701
Participant rollovers	881,493
Total Contributions	<u>25,270,985</u>

Total additions	<u>23,200,272</u>
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Deductions from net assets attributed to:

Benefits paid to participants	18,033,638
Excess contributions	869
Administrative expenses	63,562

Total deductions	<u>18,098,069</u>
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Net increase	5,102,203
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Net assets available for benefits, beginning of year	<u>197,766,093</u>
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Net assets available for benefits, end of year	<u><u>\$ 202,868,296</u></u>
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The accompanying notes are an integral part of these financial statements.

XO Communications 401(k) Savings and Retirement Plan

Notes to Financial Statements December 31, 2011 and 2010

NOTE A – PLAN DETAILS

Plan Description

The following description of the XO Communications 401(k) Savings and Retirement Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

Overview

The Plan was established as a defined contribution plan on January 1, 1995 and was amended and restated on January 1, 2006, in accordance with Section 401(a) of the Internal Revenue Code (“IRC”). The Plan covers “eligible employees,” as defined by the Plan, of XO Communications, Inc. and its subsidiaries (the “Company” or “XO”). On February 28, 2006, as a result of a restructuring merger, XO Communications, Inc. merged with and into XO Communications, LLC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan was amended effective January 1, 2009 to adopt the required changes of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 and the Workers, Retiree and Employer Recovery Act of 2008.

Plan Administration

T. Rowe Price Trust Company and T. Rowe Price Retirement Plan Services, Inc. (collectively referred to as “T. Rowe”) are the trustee and recordkeeper, respectively, for the Plan.

Eligibility

Employees of the Company are eligible to participate in the Plan upon their date of hire as defined in the Plan document. Participants are eligible to receive applicable employer-matching contributions immediately upon Plan participation.

Contributions

Participants may elect to defer on a pretax basis up to 50% of their eligible pay-period compensation to any of the funds in which the Plan has invested, subject to limits detailed in the Internal Revenue Code (“IRC”). Upon hiring, all employees of the Company are automatically enrolled to participate in the Plan for purposes of making a predefined compensation reduction contribution (“salary deferral”). Effective September 1, 2007, an amendment to the Plan increased the salary deferral percentage automatically applied to enrolled employees hired on or after September 1, 2007 from 2% to 3% of compensation as determined after 60 days of employment. The Plan was subsequently amended to increase the salary deferral percentage for these employees 1% on each May 15th subsequent to the hire date to a maximum of 5% (6% for highly compensated employees) unless the employee chooses not to participate in the Plan, or elects to contribute a greater or lesser amount.

The Company provides a matching contribution for each pay period equal to 50% of the participant’s eligible contributions up to a maximum of 5% of the participant’s eligible compensation. Both participant and employer contributions are subject to limitations that must comply with the nondiscrimination requirements of the IRC.

Vesting

Participants are immediately vested in their contributions and actual earnings thereon. Vesting in the Company's discretionary matching contributions is based on years of continuous service according to the following schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
1 year but less than 2	30%
2 years but less than 3	60%
3 years or more	100%

Participants will also have a 100% vested interest in the Company's discretionary matching contributions upon reaching normal retirement age, disability, or death prior to termination.

Notes Receivable from Participants

A participant may borrow from his or her fund balance a minimum of \$1,000 up to a maximum of the lesser of (a) one-half of the vested portion of the participant's account or (b) \$50,000 minus the excess of the highest outstanding loan balance during the previous twelve months over the outstanding balance of loans from the Plan. The loans are secured by the balance in the participant's account. Principal and interest are typically repayable through payroll deductions over periods ranging up to five years, unless the loan is for the purchase of a primary residence, in which case the loan may be repaid over fifteen years. The interest rate is fixed and is determined by the rate that is equal to the prime interest rate quoted in the *Wall Street Journal* on the date the loan is requested, plus 1%. A participant may make payments directly to the trustee provided the participant is on an approved leave of absence. As of December 31, 2011 and 2010, interest rates on participant loans were between 4.25% and 9.25%. In the event of retirement, death, disability, or termination of employment, the loan becomes payable in full.

Forfeited Accounts

Forfeitures are included in investments and consist of that portion of a participant's account representing employer contributions which are not vested upon termination from service. These amounts may be used to either reduce future employer contributions or pay administrative expenses of the Plan. During 2011, there were \$34,512 of forfeitures used to pay for Plan administrative expenses and \$372,569 forfeitures were used to offset Plan employer contributions. Forfeitures available to reduce future employer contributions or pay administrative expenses as of December 31, 2011 were \$194,135.

Rollovers

Participants are permitted to transfer amounts representing distributions from other qualified plans to the Plan.

Distributions

Benefit distributions are recorded when payments are made by the Plan. Upon termination of service due to death, disability, or retirement, a participant, or in the event of death, his or her designated beneficiary may elect to receive a lump-sum amount equal to the full value of the participant's account balance or installment payments for a fixed period not to extend beyond the participant's life expectancy. For termination of service for other reasons, a participant may receive the value of his or her vested balance in his or her participant account. The Plan permits "in-service withdrawals" in the case of rollover accounts, attainment of age 59 ½ and hardship withdrawals.

Participant Accounts

Individual accounts are maintained by T. Rowe for each of the Plan's participants to reflect the participant's contributions and related employer matching contributions, any participant's loans and repayments, as well as the participant's share of the Plan's investment income and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Administrative Expenses

Except for certain costs associated with participant initiated transactions, administrative expenses of the Plan are paid by the Plan. Administrative expenses in 2011 were \$63,562. The Company also provides administrative support at no cost to the Plan.

Subsequent Events

The Plan evaluated its December 31, 2011 financial statements for subsequent events through October 9, 2012, the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

As described in Accounting Standards Codification (“ASC”) 946, *Financial Services-Investment Companies* and ASC 962-325-35-1, *Plan Accounting - Defined Contribution Pension Plans*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully-benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in a collective trust fund which holds fully benefit-responsive contracts. The Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust as well as the adjustment from fair value to contract value, if any. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standard Board (“FASB”) issued a new accounting standard which clarifies certain existing disclosure requirements and requires additional disclosures regarding fair value measurements. The new accounting standard clarifies that fair value measurement disclosures should be presented separately for each class of assets and liabilities and also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, the new accounting standard introduces new requirements to disclose the amounts and reasons for any significant transfers between Level 1, 2 and 3 of the fair value hierarchy and present information regarding purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. The new accounting standard is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the reconciliation of recurring Level 3 measurements on a gross basis (which was effective for fiscal years and interim periods beginning after December 15, 2010). The Plan adopted the gross basis presentation of the standard for the year ended December 31, 2010. The adoption of the rest of the standard did not have a material impact to the Plan’s financial statements.

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (“Topic 820”): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This guidance amends the application of existing fair value measurement requirements, while other amendments change a particular principle in existing fair value measurement guidance. In addition, this guidance requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of the amended guidance will have on the Plan’s financial statements.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for plan benefits during the reporting period. Such estimates include those related to fair value of investments, liabilities, contingencies, and collectability of loans. Actual results could differ from these estimates.

Risk 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 reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amount reported in the Statements of Net Assets Available for Plan Benefits.

Investment Valuation & Income Recognition

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

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

Notes Receivable from Participants

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

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

NOTE C – INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

At December 31, 2011 and 2010 and for the year ended December 31, 2011, T. Rowe Price Trust Company was the trustee of the Plan and has certified that the following information included in the financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010;
- Investment loss and interest income on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2011; and
- Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

NOTE D – INVESTMENTS

The fair value of investments representing 5% or more of the Plan's net assets as certified by the trustee as of December 31:

	2011	2010
Harbor International Fund	\$ 12,729,702	\$ 14,179,148
T. Rowe Price Media & Telecommunications	15,134,211	15,520,678
Pimco Total Return Admin	18,364,263	17,086,986
Baron Growth Fund	16,400,507	15,814,953
T Rowe Price Dividend Growth Fund	13,976,009	13,016,166
T Rowe Price Equity Income Fund	16,416,169	16,178,772
American Growth Fund of America	15,359,360	15,569,170
Invesco US Small Capital Value A	-	13,512,651
Invesco Van Kamp Small Capital Value A	12,255,341	-
Oakmark Equity and Income	14,085,651	13,412,710
T. Rowe Price Stable Value Fund	31,136,226	29,044,087
Other**	30,185,376	27,513,195
	<u>\$ 196,042,815</u>	<u>\$ 190,848,516</u>

***Aggregate of funds representing less than 5% of net assets individually*

During the year ended December 31, 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) decreased in value by (\$9,500,328), as certified by the trustee.

NOTE E – FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

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

Level 2 Inputs to valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets 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 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.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end based on quoted market prices.

Collective Trust Fund: The T. Rowe Price Stable Value Fund ("SVF") is stated at fair value and then adjusted to contract value. Fair value is measured at the NAV per unit based on the fair value of the underlying investments, and contract value is the principal plus accrued interest. (See Note F.)

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 measurement at the reporting date.

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

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Intermediate-Term Bond	\$ 19,958,749	\$ -	\$ -	\$ 19,958,749
Balanced Growth	15,359,360	-	-	15,359,360
Balanced Value	14,085,651	-	-	14,085,651
International Stock-Blend	456,714	-	-	456,714
International Stock-Value	20,674,769	-	-	20,674,769
Large Cap-Blend	13,976,009	-	-	13,976,009
Large Cap-Stock Growth	8,322,013	-	-	8,322,013
Large Cap-Stock Value	16,416,169	-	-	16,416,169
Mid Cap-Stock Growth	2,088,956	-	-	2,088,956
Mid Cap-Stock Value	564,489	-	-	564,489
Small Cap-Stock Growth	17,385,747	-	-	17,385,747
Small Cap-Stock Value	12,255,341	-	-	12,255,341
Specialty-Other	15,134,211	-	-	15,134,211
Specialty-Real Estate	4,119,288	-	-	4,119,288
Retirement Income	321,557	-	-	321,557
Target-Date	3,787,566	-	-	3,787,566
Collective Trust				
Stable Value Fund	-	-	31,136,226	31,136,226
Total Assets at Fair Value	\$ 164,906,589	\$ -	\$ 31,136,226	\$ 196,042,815

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Intermediate-Term Bond	\$ 17,897,143	\$ -	\$ -	\$ 17,897,143
Balanced Growth	15,569,170	-	-	15,569,170
Balanced Value	13,412,710	-	-	13,412,710
International Stock-Blend	352,235	-	-	352,235
International Stock-Value	23,317,230	-	-	23,317,230
Large Cap-Blend	13,016,166	-	-	13,016,166
Large Cap-Stock Growth	7,857,480	-	-	7,857,480
Large Cap-Stock Value	16,178,772	-	-	16,178,772
Mid Cap-Stock Growth	1,438,791	-	-	1,438,791
Mid Cap-Stock Value	439,823	-	-	439,823
Small Cap-Stock Growth	16,509,076	-	-	16,509,076
Small Cap-Stock Value	13,512,651	-	-	13,512,651
Specialty-Other	15,520,678	-	-	15,520,678
Specialty-Real Estate	3,553,198	-	-	3,553,198
Retirement Income	86,614	-	-	86,614
Target-Date	3,142,692	-	-	3,142,692
Collective Trust				
Stable Value Fund	-	-	29,044,087	29,044,087
Total Assets at Fair Value	\$ 161,804,429	\$ -	\$ 29,044,087	\$ 190,848,516

The following table represents the Plan's fair value rollforward of investments designated as Level 3 for the year ended December 31, 2011:

Year ended December 31, 2011	Collective Trust Fund	
Balance, beginning of year	\$	29,044,087
Purchases		10,985,812
Sales		(9,805,660)
Dividends		875,897
Net appreciation – change in contract value to fair value adjustment		36,090
Balance, end of year	<u>\$</u>	<u>31,136,226</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2011 and 2010, there were no transfers in or out of Levels 1, 2 or 3.

NOTE F – INVESTMENT IN STABLE VALUE COLLECTIVE TRUST FUND

The Plan invests in a Stable Value Collective Trust Fund (“the Fund”) managed by T. Rowe Price that is a collective trust fund. The investment objectives of the trust are to maximize current income consistent with the maintenance of principal and to provide for withdrawals for certain participant-initiated transactions under a retirement plan without penalty or adjustment. The Fund invests primarily in synthetic investment contracts (“SICs”), traditional guaranteed investment contracts (“GICs”), and separate account contracts (“SACs”). Since the issuer guarantees that all qualified participant withdrawals will be made at contract value, SICs, GICs and SACs are considered fully benefit-responsive investment contracts. A GIC is an investment contract designed to provide a fixed return on principal invested for a specified period of time. The issuer of a traditional contract is a financially responsible counterparty, typically an insurance company or bank. In contrast with traditional investment contracts, the investments underlying a SIC are owned by the trust. SICs consist of (1) a portfolio of underlying assets (and/or shares of a mutual fund or units of a collective investment trust) owned by the trust and (2) a wrap contract issued by a financially responsible third party, typically a bank, insurance company, or other financial institution. A SAC is an investment contract typically issued by an insurance company or other financial institution which guarantees liquidity at contract value for permitted participant initiated withdrawals from the trust and provides for a variable crediting rate, not less than zero, based on performance of an underlying portfolio of investments.

Participants’ ownership of the Fund is represented as units. Units are issued and redeemed daily at the Fund’s constant NAV of \$1 per unit. The Fund allows for daily liquidity with no additional days notice required for redemption. It is the policy of the Fund to use its best efforts to maintain a stable NAV of \$1 per unit; although there is no guarantee that the Fund will be able to maintain this value. There are no unfunded commitments with respect to the Plan’s investment in the Fund.

The average yield of the Fund was approximately 2.69% and 3.65% at December 31, 2011 and 2010, respectively. This represents the annualized earnings of all investments in the Fund, divided by the fair value of all investments in the Fund. The average yield of the Fund with an adjustment to reflect the actual interest rate credited to participants was approximately 2.97% and 4.10% at December 31, 2011 and 2010, respectively. This represents the annualized earnings credited to participants in the Fund, divided by the fair value of all investments in the Fund.

The existence of certain conditions can limit the Fund's ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the Fund that causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of the Fund or a unit holder, tax disqualification of the Fund or a unit holder, and certain Fund amendments if issuers' consent is not obtained. As of December 31, 2011, the occurrence of an event outside the normal operation of the Fund which would cause a withdrawal from an investment contract is not considered to be probable. To the extent a unit holder suffers a tax disqualification or legal termination event, under normal circumstances, it is anticipated that liquid assets would be available to satisfy the redemption of such unit holder's interest in the Fund without the need to access investment contracts. In addition to the limitations noted above, issuers of investment contracts have certain rights to terminate a contract and settle at an amount that differs from contract value. For example, certain breaches by the Fund of its obligations, representations, or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts also may provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law. SICs and SACs also may provide issuers with the right to reduce contract value in the event an underlying investment suffers a credit event or the right to terminate the contract in the event certain investment guidelines are materially breached and not cured.

There is also no guarantee that the Fund will always be able to have SICs in place with respect to its fixed income securities or that it will be able to invest the desired portion of its assets in investment contracts that are fully benefit responsive. For example, a SIC or SAC issuer may suffer a bankruptcy or other significant credit event that causes the Fund to no longer be permitted to utilize contract value for such contract. In the event a replacement from another issuer cannot be secured, the Fund will have to recognize currently the fair value of certain assets, possibly including the contract and/or underlying assets. These values may be less than contract value and could result in a loss of principal and/or reduction in earnings with respect to unit holders' investment in the Fund. Further, in the case of a SAC, the Fund could experience a delay in accessing the assets in the underlying separate account, which, in turn, could result in a further loss of value or earnings. Similarly, a loss of principal or reduction of earnings could occur as a result of a GIC issuer's bankruptcy or other significant credit event that causes the issuer to not satisfy its payment obligations. The occurrence of any such event which would limit the Plan's ability to transact at contract value with the participant is not probable. The Fund does not have unfunded commitments or significant restrictions or redemptions. There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

NOTE G – TAX STATUS

The Company received a favorable tax determination letter from the Internal Revenue Service dated January 13, 2011. Although the Plan has been amended subsequent to the date of the latest determination from the IRS, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE H – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination, no further contributions may be made to the Plan. In the event of Plan termination, participants would become fully vested in their accounts.

NOTE I – PARTY-IN-INTEREST TRANSACTIONS

As of December 31, 2011 and 2010, the trustee manages certain Plan investments which total \$82,290,630 and \$77,952,229, respectively; therefore, these transactions qualify as party-in-interest transactions and are exempt from the prohibited transaction rules of ERISA.

NOTE J – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the net increase in net assets per the financial statements to the Form 5500, for the year ended December 31, 2011:

Net increase in net assets per financial statements	\$ 5,102,203
Add: Adjustment from contract value to fair value for common collective trust	1,085,866
Less: 2010 adjustment from contract value to fair value for common collective	(1,049,775)
Amounts allocated to persons who have elected to withdraw from the plan but have not yet been paid	(69,593)
Net increase in net assets per the Form 5500	<u>\$ 5,068,701</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500, for the years ended December 31, 2011 and 2010:

Net assets available for benefits per the 2011 financial statements	\$ 202,868,296
Add: Adjustment from contract value to fair value for common collective trust	1,085,866
Less: Amounts allocated to persons who have elected to withdraw from the plan but have not yet been paid	(69,593)
Net assets available for benefits per the 2011 Form 5500	<u>\$ 203,884,569</u>
Net assets available for benefits per the 2010 financial statements	\$ 197,766,093
Add: Adjustment from contract value to fair value for common collective trust	1,049,775
Net assets available for benefits per the 2010 Form 5500	<u>\$ 198,815,868</u>

SUPPLEMENTAL SCHEDULE

XO Communications 401(k) Savings and Retirement Plan

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

EIN: 91-2019476

Plan No. 333

December 31, 2011

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current Value
Harbor Funds	Harbor International Fund	\$ 12,729,702
T. Rowe Price*	Media & Telecommunications	15,134,211
Pimco Investments	Total Return Admin	18,364,263
Baron Funds	Growth Fund	16,400,507
T. Rowe Price*	Dividend Growth Fund	13,976,009
T. Rowe Price*	Equity Income Fund	16,416,169
American Funds	Growth Fund of America	15,359,360
Invesco Van Kamp	US Small Capital Value A	12,255,341
Oakmark Funds	Oakmark Equity and Income	14,085,651
T. Rowe Price*	Stable Value Fund	31,136,226
T. Rowe Price*	Retirement Income Fund	321,557
T. Rowe Price*	Retirement 2005 Fund	75,813
T. Rowe Price*	Retirement 2010 Fund	88,268
T. Rowe Price*	Retirement 2015 Fund	85,810
T. Rowe Price*	Retirement 2020 Fund	829,657
T. Rowe Price*	Retirement 2025 Fund	624,285
T. Rowe Price*	Retirement 2030 Fund	521,858
T. Rowe Price*	Retirement 2035 Fund	697,506
T. Rowe Price*	Retirement 2040 Fund	444,614
T. Rowe Price*	Retirement 2045 Fund	350,313
T. Rowe Price*	Retirement 2050 Fund	57,451
T. Rowe Price*	Retirement 2055 Fund	11,992
Thornburg Investments	Thornburg International Value R5	7,945,067
Fidelity Investments	Spartan International Index Fund	456,714
T. Rowe Price*	Mid Cap Growth Fund	1,518,891
Nuveen Investments	Nuveen Real Estate	4,119,288
Janus	Perkins Mid Cap Value CL T	564,489
Vanguard	Vanguard TTL Bond Market Index Signal	1,594,486
Vanguard	Vanguard Institutional Index Fund	8,322,012
Vanguard	Vanguard Small Cap Index	985,240
Vanguard	Vanguard Mid Cap Ind Signal	570,065
Participant Loans	Range of interest rate 4.25% to 9.25%	7,911,347
		<u>\$ 203,954,162</u>

Note: Historical cost is not required to be presented for participant directed investments.

*Party- in-interest