# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

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

**1a** Name of plan
PALMER LOGISTICS 401(K) PLAN

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

**1c** Effective date of plan 07/01/2000

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

PALMER DISTRIBUTION SERVICES, INC.

1040 LOCKWOOD DRIVE
HOUSTON, TX 77020

**2b** Employer Identification Number (EIN)
76-0255408

**2c** Sponsor's telephone number
713-673-9084

**2d** Business code (see instructions)
518210

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

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

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

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
PALMER DISTRIBUTION SERVICES, INC.

1040 LOCKWOOD DRIVE
HOUSTON, TX 77020

**3b** Administrator's EIN
76-0255408

**3c** Administrator's telephone number
713-673-9084

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

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 145 |
| **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** | 134 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 22 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 156 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 156 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 76 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 1 |
| **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 3D

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

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

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

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

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

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

**a Pension Schedules**

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

**b General Schedules**

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

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
PALMER LOGISTICS 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
PALMER DISTRIBUTION SERVICES, INC.

**D** Employer Identification Number (EIN)
76-0255408

## Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier
TRANSAMERICA LIFE INSURANCE COMPANY

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 39-0989781 | 86231 | 995323 | 156 | 01/01/2011 | 12/31/2011 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 5981 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

SHAWN GOHEEN
16400 KENSINGTON DRIVE
SUGARLAND, TX 77479

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 5981 | | | 3 |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| **b** | Premiums paid to carrier | 6b | |
| **c** | Premiums due but unpaid at the end of the year | 6c | |
| **d** | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ STABLE VALUE OPTION

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | 7b | 522611 |
| **c** | Additions: (1) Contributions deposited during the year | 7c(1) | 82234 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 13820 | | |
| | (4) Transferred from separate account | 7c(4) | 420 | | |
| | (5) Other (specify below) | 7c(5) | 27703 | | |
| | ▶ LOAN REPAYMENT | | | | |
| | (6) Total additions | | | 7c(6) | 124177 |
| **d** | Total of balance and additions (add **b** and **c(6)**). | | | 7d | 646788 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 3056 | | |
| | (2) Administration charge made by carrier | 7e(2) | 6554 | | |
| | (3) Transferred to separate account | 7e(3) | 4366 | | |
| | (4) Other (specify below) | 7e(4) | 9175 | | |
| | ▶ LOAN REQUEST | | | | |
| | (5) Total deductions | | | 7e(5) | 23151 |
| **f** | Balance at the end of the current year (subtract **e(5)** from **d**) | | | 7f | 623637 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

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

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

**A** Name of plan
PALMER LOGISTICS 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
PALMER DISTRIBUTION SERVICES, INC.

**D** Employer Identification Number (EIN)
76-0255408

## Part I Service Provider Information (see instructions)

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

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

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

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

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

TRANSAMERICA LIFE INSURANCE COMPANY

39-0989781

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

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

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

TRANSAMERICA LIFE INSURANCE COMPANY

39-0989781

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 37 52 62 64 67 | RECORDKEEPER | 18468 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2011**

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

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

**A** Name of plan
PALMER LOGISTICS 401(K) PLAN

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

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
PALMER DISTRIBUTION SERVICES, INC.

**D** Employer Identification Number (EIN)
76-0255408

**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: WMC QUALITY GROWTH EQUITY RET OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-101 | P | 54951 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AEGON BALANCED RET OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-119 | P | 36541 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TEMPLETON FOREIGN RET OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-143 | P | 71749 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN GOVERNMENT SECURITIES RET

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-158 | P | 103863 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MORGAN STANLEY GROWTH OPPORTUNITIES

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-167 | P | 92091 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: WMC CORE EQUITY RET OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-168 | P | 93916 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JANUS BALANCED INV OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **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) |
|---|---|---|
| 39-0989781-394 | P | 37142 |

| | | | |
|---|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA MID CAP VALUE INV OPT | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-397 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 35415 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA PARTNERS MID GROWTH RE | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-425 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 53727 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA PARTNERS MID VALUE RET | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-427 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 19915 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED INVESTORS SHORT HORIZON | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-429 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 14727 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED INVESTORS SHORT/INTERME | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-430 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 10289 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED INVESTORS INTERMEDIATE | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-431 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 26073 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED INVESTORS INTERMEDIATE/ | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-432 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 39855 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED INVESTORS LONG HORIZON | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-433 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 48313 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA PARTNERS HIGH YIELD BO | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-434 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 67580 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA PARTNERS CORE BOND RET | | | |
| **b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY | | | |
| **c** EIN-PN 39-0989781-435 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 30173 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO LEISURE INV OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **c** EIN-PN 39-0989781-443 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16749 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JANUS SMALL CAP VALUE RET OPT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **c** EIN-PN 39-0989781-002 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16718 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA PARTNERS STOCK INDEX R

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **c** EIN-PN 39-0989781-003 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 35318 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY INFLATION-ADJUSTED

**b** Name of sponsor of entity listed in (a): TRANSAMERICA LIFE INSURANCE COMPANY

| **c** EIN-PN 39-0989781-266 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24329 |
|---|---|---|

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

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

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

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

**A** Name of plan
PALMER LOGISTICS 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
PALMER DISTRIBUTION SERVICES, INC.

**D** Employer Identification Number (EIN)
76-0255408

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 999 | 976 |
| **(2)** Participant contributions | 1b(2) | 2579 | 2361 |
| **(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) | 151614 | 128355 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 886028 | 929433 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 522611 | 623638 |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 1563831 | 1684763 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 1563831 | 1684763 |

## 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) | 53982 | |
| **(B)** Participants | 2a(1)(B) | 128235 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 182217 |
| **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) | 6125 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 6125 |
| **(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) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(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) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | -28273 |
| (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) | | |
| c Other income | 2c | | 13820 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 173889 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 35339 | |
| (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) | | 35339 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 17618 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 17618 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 52957 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 120932 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: CHRISTMANN AND CO. (2) EIN: 76-0066545

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

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

## Part IV Compliance Questions

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

During the plan year:

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

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

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

**A** Name of plan
PALMER LOGISTICS 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
PALMER DISTRIBUTION SERVICES, INC.

**D** Employer Identification Number (EIN)
76-0255408

## Part I Distributions

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

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

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

EIN(s): 42-6362604

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# PALMER LOGISTICS

# 401(k) PLAN

# AUDITED FINANCIAL STATEMENTS

# DECEMBER 31, 2011 AND 2010

CHRISTMANN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
770 S. POST OAK LANE, SUITE 250
HOUSTON, TEXAS 77056

HAROLD F. CHRISTMANN, JR., C.P.A.
TELEPHONE 713/622-0191

MEMBER A.I.C.P.A.
FACSIMILE 713/623-4345

# Independent Auditor's Report

To the Administrative Committee of
Palmer Logistics 401(k) Plan

We were engaged to audit the statement of net assets available for benefits of Palmer Logistics 401(k) Plan as of December 31, 2011 and 2010 and the statement of changes in net assets available for benefits for the years then ended and the supplemental schedule of assets held for investment purposes as of and for the year ended December 31, 2011. These financial statements and supplemental schedule of assets held for investment purposes are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note F, which was certified by Transamerica Life Insurance Company 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 held the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from Transamerica Life Insurance Company as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information we did not audit, we are unable to, and do not, express and opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Transamerica Life Insurance Company , have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Christmann & Co.

Houston, Texas
September 29, 2012

PALMER LOGISTICS 401(k) PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2011 AND 2010

ASSETS

| | 2011 | 2010 |
|---|---|---|
| Investments, at fair value: | | |
| Mutual funds | $ 929,433 | $ 886,028 |
| Funds held by insurance company's general portfolio | 623,638 | 522,611 |
| Total Investments | 1,553,071 | 1,408,639 |
| Receivables: | | |
| Employer | 976 | 999 |
| Participant | 2,361 | 2,579 |
| Notes receivable from participants | 128,355 | 151,614 |
| Total Receivables | 131,692 | 155,192 |
| NET ASSETS AVAILABLE FOR BENEFITS | $1,684,763 | $1,563,831 |

See Accompanying Notes to Financial Statements

PALMER LOGISTICS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE

FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| Additions (Reductions) to Net Assets Attributed To: | | |
| Investment income: | | |
| Net unrealized appreciation (depreciation) of assets | $ (28,273) | $ 121,718 |
| Other income | 13,820 | 13,129 |
| Loan interest | 6,125 | 6,551 |
| | (8,328) | 141,398 |
| Contributions: | | |
| Participants' | 128,235 | 128,817 |
| Employer's | 53,982 | 51,767 |
| | 182,217 | 180,584 |
| TOTAL ADDITIONS (REDUCTIONS) | 173,889 | 321,982 |
| Deductions from Net Assets Attributed To: | | |
| Benefits paid to participants | 35,339 | 108,253 |
| Administration expenses | 17,618 | 15,325 |
| TOTAL DEDUCTIONS | 52,957 | 123,578 |
| NET INCREASE (DECREASE) | 120,932 | 198,404 |
| Net Assets Available For Benefits: | | |
| Beginning of year | 1,563,831 | 1,365,427 |
| End of year | $1,684,763 | $1,563,831 |

See Accompanying Notes to Financial Statements

PALMER LOGISTICS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

## Note A - Summary of the Plan

The following description of the Palmer Logistics ("The Company") 401(k) Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all full-time employees of the Company who have two months of service and have attained age 21. It is subject to the provisions of the Employee Retirement Income Security Act 1974 (ERISA).

Trustee: Officers of the Employer serve as Trustees of the Plan.

Contributions: Each year, participant contributions shall be equal to at least 1% of Plan compensation and may not exceed 60% of his or her compensation for the year. The Company may make a contribution to the Plan at the discretion of its Board of Directors.

Participant Accounts: Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of 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.

Investment Options: Upon enrollment in the Plan, a participant may direct the Trustee as to the investment of his or her account balance in any increments in any of several investment options.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's discretionary matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

Participant loans: Participants may borrow from their plan accounts at a minimum of $1,000 up to a maximum of $50,000 or 50% of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest as determined by the plan administrator at the current market rate on a quarterly basis. Principal and interest is paid ratably through weekly payroll deductions. At December 31, 2011 and 2010, the plan had participant loans outstanding of $128,355 and $151,614, respectively.

Note A - Summary of the Plan (Continued)

Payment of Benefits: Upon termination of employment or retirement, a participant can elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account. If the participant's vested benefit in the Plan exceeds $5,000, the participant must consent to a distribution of benefits. All vested benefits not exceeding $5,000 qualify for mandatory distribution without consent.

Forfeited Accounts: At December 31, 2011 and 2010, forfeited nonvested accounts totaled $16,887 and $16,096, respectively. Forfeited amounts are used to reduce the employer's future contributions to the plan.

Note B - Summary of Significant Accounting Policies

The financial statements of Palmer Logistics 401(k) Plan have been prepared in conformity with accounting principals generally accepted in the United States of America and in accordance with the terms of the Plan agreement.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Accounting: The financial statements of the Plan are prepared using the accrual method of accounting.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value, as certified by both Transamerica Life Insurance Company, except for its benefit-responsive investment contract which is valued at contract value (See Note E). Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan.

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

Payment of Benefits: Benefits are recorded when paid.

Use of Estimates: The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B - Summary of Significant Accounting Policies(continued)

Risk and Uncertainties: The Plan provides for various investment options. These investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Date of Management's review: Subsequent events were evaluated through September 29, 2012, the date which the financial statements were available to be issued.

Notes Receivable from Participants: Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Operating Expenses: All expenses of maintaining the Plan are paid by the Company.

Reclassifications: Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Note C - Investments

The following presents investments that represent five percent or more of the Plan's net assets.

| | 2011 | 2010 |
|---|---|---|
| Guaranteed Account | 623,638 | 522,611 |
| JP Morgan Government Securities | 103,863 | 85,421 |
| Transamerica Core Equity | 93,916 | 106,650 |
| Transamerica Growth Opportunity | 92,091 | 86,337 |
| Participant Loans | 128,355 | 151,614 |

During the plan years ended December 31, 2011 and 2010, the Plan's investments (including realized and unrealized gains and losses) appreciated (depreciated) in value by ($28,273) and $121,718, respectively. All of the Plan's appreciation (depreciation) is related to investments in mutual funds.

## Note D - Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Transamerica Life Insurance Company ("Transamerica"). Transamerica is the plan record keeper; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for the investment management services amounted to $17,618 and $15,325 for the years ended December 31, 2011 and 2010, respectively.

## Note E - Investment Contract with Insurance Company

In 2011, the Plan entered into a benefit responsive investment contract with Transamerica. Transamerica maintains the contributions in a general pooled account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value (which represents contributions made under the contract, plus earnings, less Plan withdrawals and administrative expenses). Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was $623,638 and $522,611, respectively. The average yield and crediting interest rates were 2.45% and 2.73% for 2011 and 2010, respectively.

## Note F - Information Certified by Transamerica Life Insurance Company (Unaudited)

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements and supplemental schedule that was prepared by Transamerica and furnished to the plan administrator. The plan administrator has obtained certification from Great-West that such information is complete and accurate.

| | 2011 | 2010 |
|---|---|---|
| Investments at fair market value: | | |
| Mutual Funds | 929,433 | 866,028 |
| Funds held in insurance company's general portfolio | 623,638 | 522,611 |
| Appreciation (depreciation) in fair value of investments | (28,273) | 121,718 |
| Interest and dividend income | 6,125 | 6,551 |
| Other income | 13,820 | 13,129 |

## Note G - 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 terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

## Note H - Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated March 2008, that the plan and related trust is designed in accordance with applicable sections of the Internal Revenue Code of 1986 (IRC).

## Note I - Administration of Plan Assets

The Plan is administered by Palmer Distributions Services, Inc. who absorbs substantially all administrative expenses on behalf of the Plan. Officers of the Company serve as trustees to the Plan. The Plan record keeper, Transamerica Life Insurance Company("Transamerica"), performs certain accounting and tax services, and Transamerica hold and manages all Plan investments and makes distributions to participants.

## Note J - Plan Amendments

Effective July 21, 2010, the Plan was amended to change the Plan's sponsor and company name to Palmer Distribution Services, Inc.

## Note K - Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note K - Fair Value Measurements (Continued)

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they provide the most reliable evidence of fair value. No level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the securities held by the Plan at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

Level 3 Fair Value Measurements

The guaranteed investment contract with an insurance company is not actively traded and significant other observable inputs are not available. Thus, the fair value of the guaranteed investment contract is determined using an income approach by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

Note K - Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010.

| | | Fair Value Measurements Using | |
|---|---|---|---|
| December 31, 2011 | Fair Value | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Unobservable Inputs (Level 3) |
| Mutual funds | $ 929,433 | $ 929,433 | $ - |
| Investment contract with insurance company | 623,638 | | 623,638 |
| | $1,553,071 | $ 929,433 | $ 623,638 |
| December 31, 2010 | | | |
| Mutual funds | $ 886,028 | $ 886,028 | $ - |
| Investment contract with insurance company | 522,611 | | 522,611 |
| | $1,408,639 | $ 886,028 | $ 522,611 |

The following tables reconcile the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) of the investment contract with insurance company for the years ended December 31, 2011 and 2010.

| December 31, 2011 | Investment Contract |
|---|---|
| Beginning balance | $ 522,611 |
| Total gains or losses (realized and unrealized) included in changes in net assets available for benefits | 7,266 |
| Purchases, sales, issuances, and settlements (net) | 93,761 |
| Ending balance | $ 623,638 |

Note K - Fair Value Measurements (Continued)

| December 31, 2010 | Investment Contract |
|---|---|
| Beginning balance | $ 444,920 |
| Total gains or losses (realized and unrealized) included in changes in net assets available for benefits | 7,555 |
| Purchases, sales, issuances, and settlements (net) | 70,136 |
| Ending balance | $ 522,611 |

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2011 and 2010 are reported in net appreciation(depreciation) in fair value of investments.

PALMER LOGISTICS 401(k) PLAN
ITEM 4i - SCHEDULE OF ASSETS HELD FOR
INVESTMENT PURPOSES
DECEMBER 31, 2011
ADDITIONAL INFORMATION

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | Pooled separate accounts | | | |
| * | Transamerica Life Ins. Co. | Transamerica Equity - 743.19 units | ** | 54,951 |
| * | Transamerica Life Ins. Co. | Transamerica Balanced - 696.98 units | ** | 36,541 |
| * | Transamerica Life Ins. Co. | Templeton Foreign - 2,048.30 units | ** | 71,749 |
| * | Transamerica Life Ins. Co. | JPMorgan Government Securties - 2,976.48 units | ** | 103,863 |
| * | Transamerica Life Ins. Co. | Transamerica Growth Opp - 2,945.84 units | ** | 92,091 |
| * | Transamerica Life Ins. Co. | Transamerica Core Equity - 5,369.64 units | ** | 93,916 |
| * | Transamerica Life Ins. Co. | Columbia Mid Cap Value - 189.32 units | ** | 35,415 |
| * | Transamerica Life Ins. Co. | Transamerica Partners Mid Grw - 3,607.48 units | ** | 53,727 |
| * | Transamerica Life Ins. Co. | Transamerica Partners Mid Val - 1,048.19 units | ** | 19,915 |
| * | Transamerica Life Ins. Co. | Diversidied Inv Short - 690.12 units | ** | 14,727 |
| * | Transamerica Life Ins. Co. | Diversidied Inv Short/Int - 602.72 units | ** | 10,288 |
| * | Transamerica Life Ins. Co. | Diversidied Inv Intermediate - 1,257.45 units | ** | 26,072 |
| * | Transamerica Life Ins. Co. | Diversidied Inv Int/Long - 1,935.71 units | ** | 39,855 |
| * | Transamerica Life Ins. Co. | Diversidied Inv Long - 3,790.59 units | ** | 48,313 |
| * | Transamerica Life Ins. Co. | Transamerica Partners Hg Yd Bd - 2,311.82 units | ** | 67,580 |
| * | Transamerica Life Ins. Co. | Transamerica Partners Core Bd - 781.34 units | ** | 30,173 |
| * | Transamerica Life Ins. Co. | Invesco Leisure Inv Opt - 218.67 units | ** | 16,749 |
| * | Transamerica Life Ins. Co. | Janus Small Cap Value Ret Opt - 437.54 units | ** | 16,718 |
| * | Transamerica Life Ins. Co. | Transamerica Partners Stk Idx - 988.96 units | ** | 35,319 |
| * | Transamerica Life Ins. Co. | Janus Advisor Balanced - 1,178.97 units | ** | 37,142 |
| * | Transamerica Life Ins. Co. | American Century Infl-Adj Bd - 1,051.12 units | ** | 24,329 |
| * | Transamerica Life Ins. Co. | Transamerica Stable Value | ** | 623,638 |
| * | Participant Loans | Various rates of interest | ** | 128,355 |
| | | | | $1,681,426 |

* Indicates party in interest

** All investment transactions are participant directed, therefore information is not

## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

**Plan Name:** Palmer Logistics 401(k) Plan
**Contract #:** 995323-000
**EIN:** 760255408
**Plan ID:** 7881
**Plan #:** 001
**Period:** 01/01/2011-12/31/2011

| (a) | (b) Identity of issue, borrower, lessor, or similar a party | (c ) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | TRANSAMERICA LIFE INSURANCE CO. | WMC Quality Growth Equity | $54,951 | $54,951 |
| * | TRANSAMERICA LIFE INSURANCE CO. | AEGON Balanced | $36,541 | $36,541 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Templeton Foreign | $71,749 | $71,749 |
| * | TRANSAMERICA LIFE INSURANCE CO. | JPMorgan Government Securities | $103,863 | $103,863 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Morgan Stanley Growth Opp | $92,091 | $92,091 |
| * | TRANSAMERICA LIFE INSURANCE CO. | WMC Core Equity | $93,916 | $93,916 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Columbia Mid Cap Value | $35,415 | $35,415 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Partners Mid Grw | $53,727 | $53,727 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Partners Mid Val | $19,915 | $19,915 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Diversified Inv Short | $14,727 | $14,727 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Diversified Inv Short/Int | $10,289 | $10,289 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Diversified Inv Intermediate | $26,073 | $26,073 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Diversified Inv Int/Long | $39,855 | $39,855 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Diversified Inv Long | $48,313 | $48,313 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Partners Hg Yd Bd | $67,580 | $67,580 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Partners Core Bd | $30,173 | $30,173 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Invesco Leisure Inv Opt | $16,749 | $16,749 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Stable Value | $623,638 | $623,638 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Janus Small Cap Value Ret Opt | $16,718 | $16,718 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Transamerica Partners Stk Idx | $35,318 | $35,318 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Janus Balanced Inv Opt | $37,142 | $37,142 |
| * | TRANSAMERICA LIFE INSURANCE CO. | American Century Infl-Adj Bd | $24,329 | $24,329 |
| * | TRANSAMERICA LIFE INSURANCE CO. | Participant Loan | $128,355 | $128,355 |