

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1950</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1950</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1950</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>AAA MID-ATLANTIC INC</u> <u>ONE RIVER PLACE</u> <u>WILMINGTON, DE 19801</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-0758010</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>302-299-4000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>524150</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-0758010</u>	2c Sponsor's telephone number <u>302-299-4000</u>	2d Business code (see instructions) <u>524150</u>	
2b Employer Identification Number (EIN) <u>23-0758010</u>					
2c Sponsor's telephone number <u>302-299-4000</u>					
2d Business code (see instructions) <u>524150</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	DEBRA KING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	JOHN BALZARINI
	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") AAA MID-ATLANTIC INC ONE RIVER PLACE WILMINGTON, DE 19801	3b Administrator's EIN 23-0758010 3c Administrator's telephone number 302-299-4000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	2318
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	573
b Retired or separated participants receiving benefits.....	6b	657
c Other retired or separated participants entitled to future benefits.....	6c	973
d Subtotal. Add lines 6a , 6b , and 6c	6d	2203
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	89
f Total. Add lines 6d and 6e	6f	2292
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

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

1A 1G

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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>AAA MID-ATLANTIC INC</u>	D Employer Identification Number (EIN) <u>23-0758010</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information		
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a <u>146278160</u>		
b Actuarial value	2b <u>146278160</u>		
3 Funding target/participant count breakdown:			
a For retired participants and beneficiaries receiving payment	3a <u>688</u>	(1) Number of participants	(2) Funding Target
b For terminated vested participants	3b <u>1012</u>		<u>58710703</u>
c For active participants:			
(1) Non-vested benefits	3c(1)		
(2) Vested benefits	3c(2)		<u>42698705</u>
(3) Total active	3c(3)	<u>618</u>	<u>42698705</u>
d Total	3d	<u>2318</u>	<u>146257466</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	<u>6.02</u> %	
6 Target normal cost	6	<u>1703730</u>	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>09/06/2012</u>
Signature of actuary		Date
<u>STEPHEN A. CATONE, ASA</u>		<u>11-05357</u>
Type or print name of actuary		Most recent enrollment number
<u>HAY GROUP, INC</u>		<u>215-861-2333</u>
Firm name		Telephone number (including area code)
<u>100 PENN SQUARE EAST</u> <u>PHILADELPIA, PA 19107</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	24506501	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	1586019	
9 Amount remaining (line 7 minus line 8)	22920482	0
10 Interest on line 9 using prior year's actual return of <u>10.20</u> %	2337889	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		4281641
b Interest on (a) using prior year's effective rate of <u>6.62</u> % except as otherwise provided (see instructions)		283445
c Total available at beginning of current plan year to add to prefunding balance		4565086
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	25258371	0

Part III Funding percentages		
14 Funding target attainment percentage	14	82.74 %
15 Adjusted funding target attainment percentage	15	100.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.20 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/03/2011	1556000				
01/17/2012	1000000				
05/05/2012	3704000				
			Totals ►	18(b)	6260000
				18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5935580
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		0
		0
		0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	1703730	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	1703730	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	851866		851866
36 Additional cash requirement (line 34 minus line 35)	36	851864	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5935580	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	5083716	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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 AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 AAA MID-ATLANTIC INC	D Employer Identification Number (EIN) <u>23-0758010</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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)

ERNST & YOUNG

TWO COMMERCE SQUARE, SUITE 4000
2001 MARKET STREET
PHILADELPHIA, PA 19103

34-6565596

(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?
10	NONE	0	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

HAYGROUP INC

THE WANAMAKER BUILDING
100 PENN SQUARE EAST
PHILADELPHIA, PA 19107

22-2613530

(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?
11	NONE	0	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

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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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>AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AAA MID-ATLANTIC INC</u>		D Employer Identification Number (EIN) <u>23-0758010</u>

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)	5384000	4704000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	504902	534760
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	30373683	32860474
(2) U.S. Government securities.....	1c(2)	10703396	9082414
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	24980628	20409207
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	445160	500800
(B) Common	1c(4)(B)	73890701	82965019
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	146282470	151056674

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 through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	146282470	151056674
---	-----------	-----------	-----------

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)	6260000	
(B) Participants	2a(1)(B)		
(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)		6260000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	398766	
(B) U.S. Government securities	2b(1)(B)	480358	
(C) Corporate debt instruments	2b(1)(C)	1334245	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2213369
(2) Dividends: (A) Preferred stock	2b(2)(A)	16476	
(B) Common stock	2b(2)(B)	2119378	
(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)		2135854
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	23343790	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	21991234	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1352556

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-698907	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-698907
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		11262872

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6488668	
(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)		6488668
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)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		6488668

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4774204
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: ERNST & YOUNG

(2) EIN: 34-6565596

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.

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

A Name of plan <u>AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AAA MID-ATLANTIC INC</u>	D Employer Identification Number (EIN) <u>23-0758010</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
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): _____ 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 <u>11</u>

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

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

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 55.3% Investment-Grade Debt: 19.5% High-Yield Debt: _____% Real Estate: _____% Other: 25.2%

- 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): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES

AAA Mid-Atlantic Defined Benefit Pension Plan
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP



AAA Mid-Atlantic Defined Benefit Pension Plan

Financial Statements and Supplemental Schedules

Years Ended December 31, 2011 and 2010

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Report of Independent Auditors

Board of Directors
AAA Mid-Atlantic Inc.

We have audited the accompanying statements of net assets available for benefits of the AAA Mid-Atlantic Defined Benefit Pension Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Plan at December 31, 2011, and the changes in its net assets available for benefits for the year then ended, and the financial status of the Plan at December 31, 2010, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2011, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst & Young LLP

October 9, 2012

AAA Mid-Atlantic Defined Benefit Pension Plan

Statements of Net Assets Available for Benefits

	December 31	
	2011	2010
Assets		
Investments:		
U.S. Government and sponsored agency securities	\$ 9,082,414	\$ 10,703,396
Corporate bonds	17,505,920	21,187,551
Mortgage-backed securities	1,480,882	2,262,179
Municipal bonds	1,422,405	1,530,898
Preferred and common stocks	83,465,819	74,335,861
Short-term money market funds	32,860,474	30,373,683
	145,817,914	140,393,568
Receivables:		
Contribution from employer	4,704,000	5,384,000
Accrued income	534,760	504,902
	5,238,760	5,888,902
Net assets available for benefits	\$ 151,056,674	\$ 146,282,470

See accompanying notes.

AAA Mid-Atlantic Defined Benefit Pension Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2011	2010
Additions		
Investment income:		
Interest	\$ 2,213,369	\$ 2,472,642
Dividends	2,135,854	1,491,031
Net appreciation in fair value of investments	653,649	7,813,207
	<u>5,002,872</u>	<u>11,776,880</u>
Contributions:		
AAA Mid-Atlantic Inc.	6,260,000	5,384,000
Total additions	<u>11,262,872</u>	<u>17,160,880</u>
Deductions		
Pension payments to participants or their beneficiaries	6,488,668	5,399,197
Total deductions	<u>6,488,668</u>	<u>5,399,197</u>
Net increase	<u>4,774,204</u>	<u>11,761,683</u>
Net assets available for benefits:		
Beginning of year	146,282,470	134,520,787
End of year	<u>\$ 151,056,674</u>	<u>\$ 146,282,470</u>

See accompanying notes.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements

December 31, 2011 and 2010

1. Description of the Plan

The following brief description of the AAA Mid-Atlantic Defined Benefit Pension Plan (the Plan) is provided for general information purposes only. Information about the plan agreement, the vesting and benefit provisions, and the Pension Benefit Guaranty Corporation's benefit guarantee is contained in the plan document. Copies of the plan document are available from the Pension Committee. Participants should refer to the plan document for more complete information.

The Plan is a defined benefit plan providing pension benefits, which cover certain employees of AAA Mid-Atlantic Inc. and subsidiaries (the Company).

In the last quarter of 2004, each active participant was given the opportunity to remain in the Plan or elect not to participate in the Plan after December 31, 2004 and move their pension benefits to the AAA Mid-Atlantic 401(k) and Defined Contribution Retirement Plan (DC Plan). Any participant who elected to not participate in the Plan after 2004 ceased to be an active participant at midnight December 31, 2004 and their accrued benefit was frozen as of December 31, 2004. Such participants automatically participate in the DC Plan.

Employees hired or rehired on or after September 1, 2004 are ineligible to participate in the Plan and shall have the opportunity to participate in the DC Plan.

On October 15, 2010, the Company entered into a stock purchase and sale agreement with California State Automobile Association Inter-Insurance Bureau (Bureau), pursuant to which the Company agreed to sell to the Bureau all of the outstanding capital stock of the Keystone Insurance Company (KIC). This transaction closed on January 1, 2011. Accordingly, effective December 31, 2010, eligible employees of Mid-Atlantic Insurance Group (MAIG), a subsidiary of the Company, had their plan benefits earned through December 31, 2010 frozen. Eligible employees of MAIG were terminated from the Plan effective December 31, 2010, and are no longer eligible to earn additional plan benefits.

Employees become vested in the Plan after completing at least five (5) years of continuous service. All costs of administration of the Plan are paid by the Company (\$42,588 in 2011 and \$36,949 in 2010).

The Company has agreed to contribute such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan participants and beneficiaries. Contributions to the Plan are based upon the actuarial determination of normal cost subject to a "full funding limitation" as defined by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

The Plan has no unfunded prior service cost. The Plan has met the ERISA minimum funding requirements. Pension benefits upon retirement are based on the participant's final average annual earnings and years of service.

The Company has the right under the Plan to discontinue contributions at any time and terminate the Plan. In the event of termination of the Plan, the net assets of the Plan will be allocated for payment to the participants in an order of priority as described by ERISA and its regulations and the Plan document. However, in the event of termination of the Plan, the Pension Benefit Guaranty Corporation guarantees the payment of nonforfeitable basic benefits subject to certain limitations prescribed by ERISA. Some benefits may be fully or partially provided for by the then-existing net assets and the Pension Benefit Guaranty Corporation guarantee, while other benefits may not be provided at all.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedules. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts in the statement of net assets available for benefits have been reclassified to conform to the current year presentation.

Payment of Benefits

Benefits are recorded when paid.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is defined as 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 (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

In accordance with Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, assets and liabilities measured at fair value are categorized into a hierarchy as described further in Note 4.

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

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (Note 3) represent the actuarial present value of estimated future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries.

Benefits for retired or terminated participants or their beneficiaries are based on participants' compensation during their five highest compensated consecutive years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years preceding the valuation date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee services rendered to the valuation date.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The requirement to present changes in Level 3 measurements on a gross basis is effective for reporting periods beginning after December 15, 2010. As required, the Plan adopted the provisions of ASU 2010-06 in 2011, but since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not have an effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 amended ASC 820, *Fair Value Measurement*, to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 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 ASU 2011-04 will have on the Plan's financial statements.

3. Accumulated Plan Benefits

Consulting actuaries estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

The actuarial present value of accumulated plan benefits is estimated as of the beginning of each year. The accumulated plan benefit as of December 31, 2010, applicable to the audit of plan year ended December 31, 2011, is as follows:

Vested benefits:	
Participants currently receiving payments	\$ 65,558,441
Other participants	122,354,900
	<u>187,913,341</u>
Nonvested benefits	—
	<u><u>\$ 187,913,341</u></u>

The change in actuarial present value of accumulated plan benefits was as follows:

Actuarial present value of accumulated plan benefits as of December 31, 2009	\$ 131,524,577
Increase (decrease) during the year attributable to:	
Passage of time	8,373,624
Benefit accrual and actuarial experience	2,927,692
Actuarial assumption changes	50,486,645
Benefits paid	<u>(5,399,197)</u>
	<u>56,388,764</u>
Actuarial present value of accumulated plan benefits as of December 31, 2010	<u><u>\$ 187,913,341</u></u>

The discount rate decreased from 6.5% in 2009 to 4.25% in 2010 which had the effect of increasing the present value of accumulated plan benefits by \$50,486,645.

Significant assumptions underlying the actuarial valuation as of December 31, 2011 are as follows:

Discount rate	4.25%
Mortality basis	RP 2007 SP Table
Retirement age	Age 65 or immediately if already past age 65

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements

Fair value is defined under ASC 820 as 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 (i.e., an exit price). To measure fair value, a hierarchy has been established that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. As such, the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy in ASC 820 are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The Plan determines the fair values of financial assets through recognized third-party pricing services. The Plan performs a monthly analysis on the prices and credit spreads received from third parties to ensure that the prices represent a reasonable estimate of fair value. All prices provided by third-party pricing services are classified into Level 2 because the inputs used in pricing the securities are market observable. Money market funds and preferred and common stocks are valued at the closing price reported in the active market in which the individual security is traded and are classified into Level 1.

Assets at Fair Value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Debt securities:				
U.S. Government and sponsored agency securities	\$ —	\$ 9,082,414	\$ —	\$ 9,082,414
Municipal bonds	—	1,422,405	—	1,422,405
Mortgage-backed securities	—	1,480,882	—	1,480,882
Corporate bonds:				
Investment grade	—	16,664,150	—	16,664,150
Non-investment grade	—	841,770	—	841,770
Total debt securities	—	29,491,621	—	29,491,621
Short-term money market funds	32,860,474	—	—	32,860,474
Preferred and common stocks:				
Banking securities	2,285,832	—	—	2,285,832
Financial securities	4,485,658	—	—	4,485,658
Consumer securities	19,816,651	—	—	19,816,651
Energy securities	9,276,613	—	—	9,276,613
Industrial and materials securities	14,426,562	—	—	14,426,562
Healthcare securities	7,193,624	—	—	7,193,624
Other securities	25,980,879	—	—	25,980,879
Total equities	83,465,819	—	—	83,465,819
Total assets at fair value	\$ 116,326,293	\$ 29,491,621	\$ —	\$ 145,817,914

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Debt securities:				
U.S. Government and sponsored agency securities	\$ —	\$ 10,703,396	\$ —	\$ 10,703,396
Municipal bonds	—	1,530,898	—	1,530,898
Mortgage-backed securities	—	2,262,179	—	2,262,179
Corporate bonds:				
Investment grade	—	20,162,551	—	20,162,551
Non-investment grade	—	1,025,000	—	1,025,000
Total debt securities	—	35,684,024	—	35,684,024
Short-term money market funds	30,373,683	—	—	30,373,683
Preferred and common stocks:				
Banking securities	3,395,791	—	—	3,395,791
Financial securities	3,821,084	—	—	3,821,084
Consumer securities	17,407,028	—	—	17,407,028
Energy securities	7,856,054	—	—	7,856,054
Industrial and materials securities	13,519,746	—	—	13,519,746
Healthcare securities	6,638,257	—	—	6,638,257
Other securities	21,697,901	—	—	21,697,901
Total equities	74,335,861	—	—	74,335,861
Total assets at fair value	\$ 104,709,544	\$ 35,684,024	\$ —	\$ 140,393,568

5. Investments

The fair values of individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	December 31	
	2011	2010
Discover Money Market	\$ 32,860,220	\$ 30,355,051

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

5. Investments (continued)

The Plan's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value as follows:

	Year Ended December 31	
	2011	2010
U.S. Government securities	\$ 12,349	\$ 139,807
Corporate bonds	203,422	(169,343)
Preferred and common stocks	437,878	7,842,743
	<u>\$ 653,649</u>	<u>\$ 7,813,207</u>

6. Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated March 5, 2012, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Company has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. It is the Company's policy to classify interest and penalties recognized on uncertain tax positions as a component of income tax expense. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2008.

AAA Mid-Atlantic Defined Benefit Pension Plan

Notes to Financial Statements (continued)

7. Related Party Transactions

Certain Plan investments, comprising the short-term money market funds, are managed by PNC Bank and Discover. PNC Bank and Discover are the custodians as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Fees for these services are paid by the Company.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, 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 those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

9. Plan Amendment

Effective December 31, 2009, the benefit multiplier for plan participants was reduced from 1.5% to 1% for benefits earned on or after January 1, 2010.

10. Subsequent Events

Management evaluated subsequent events for the Plan through October 9, 2012, the date the financial statements were available to be issued.

On April 1, 2012, the Company transferred the ownership of the corporate call centers to ACP Shared Services. Accordingly, effective March 31, 2012, eligible employees of the call centers had their plan benefits earned through March 31, 2012 frozen. Eligible call center employees were terminated from the Plan effective March 31, 2012 and are no longer eligible to earn additional plan benefits.

Supplemental Schedules

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Short-term money market funds			
*Blackrock – Institutional Fund	254 Money Market	\$ 254	\$ 254
*Discover Money Market	32,860,220 Money Market	32,860,220	32,860,220
Total short-term money market funds		32,860,474	32,860,474
U.S. Government and sponsored agency securities			
Federal National Mortgage Association	344,699 5.000% due 05/25/2018	332,635	358,532
Federal National Mortgage Association	553,731 5.190% due 01/01/2023	516,008	614,061
Federal National Mortgage Association	342,507 5.000% due 01/25/2032	332,660	352,000
Federal National Mortgage Association	178,950 5.500% due 10/25/2031	178,088	181,786
Federal National Mortgage Association	1,000,000 5.500% due 03/25/2023	983,125	1,118,868
Federal National Mortgage Association	1,000,000 5.000% due 05/55/2032	988,125	1,049,495
Federal Home Loan Mortgage Corporation	18,121 5.000% due 05/15/2017	18,596	18,234
Federal Home Loan Mortgage Corporation	3,396,526 5.000% due 02/15/2023	3,332,841	3,630,937
Federal Home Loan Mortgage Corporation	685,381 5.000% due 02/15/2032	678,313	709,234
Federal Home Loan Mortgage Corporation	500,330 5.500% due 06/01/2032	506,740	514,947
Tennessee Valley Authority	500,000 6.000% due 03/15/2013	496,820	534,320
Total U.S. government securities		8,363,951	9,082,414
Municipal bonds			
University Cent FLA	1,500,000 5.125% due 10/01/2020	1,364,250	1,422,405
Total municipal bonds		1,364,250	1,422,405
Mortgage-backed securities			
Virginia State Housing Development Authority	672,384 6.000% due 03/25/2038	582,107	625,478
U.S. Department of Transportation	855,404 5.594% due 12/07/2021	846,377	855,404
Total mortgage-backed securities		1,428,484	1,480,882
Corporate bonds			
Bank of New York Instit Cap	1,000,000 7.780% due 12/01/2026	995,000	1,017,500
Cargill Incorporated	1,000,000 5.600% due 09/15/2012	941,610	1,030,232
Citigroup Incorporated	500,000 6.500% due 08/19/2023	499,705	520,481
General Electric Capital Corporation	800,000 6.125% due 02/22/2011	950,000	1,002,277
Harley Davidson Funding	1,000,000 5.250% due 12/15/2012	994,740	1,030,323
International Business Machines Corporation	1,000,000 6.500% due 10/15/2013	1,001,420	1,102,797
International Lease Financing Corporation	846,000 6.375% due 03/25/2013	845,103	841,770
Invesco Systems Ltd.	1,000,000 5.375% due 12/15/2014	887,540	1,071,990
Kimberly Clark Corporation	300,000 6.250% due 07/15/2018	289,560	372,027

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Corporate bonds (continued)			
Morgan Stanley	1,000,000 5.000% due 07/09/2025	\$ 990,000	\$ 965,290
National City Corporation	1,000,000 4.900% due 01/15/2015	876,250	1,080,626
Northwestern Corporation	1,545,000 6.040% due 09/01/2016	1,527,155	1,784,917
Penn Mutual Life Insurance Co.	1,000,000 6.65% due 06/15/2034	889,300	1,117,474
PNC Preferred Funding	1,000,000 6.113% due 03/15/2012	1,000,000	730,000
Southwest Airlines Company	871,412 7.220% due 07/01/2013	827,841	903,532
Union Bank of California	1,000,000 5.950% due 05/11/2016	971,610	1,082,199
USB Realty Corporation	1,000,000 6.091% due 12/22/2049	997,450	695,000
Virginia Electric & Power Company	1,000,000 5.400% due 01/15/2016	873,820	1,152,485
Washington Mutual Preferred Funding	1,000,000 0.000% due 12/29/2049	996,100	5,000
Total corporate bonds		17,354,204	17,505,920
Preferred and common stocks			
Federal Home Loan Mortgage Corporation	40,000 8.75%	1,000,000	53,200
Cabco TST	20,000 6.25%	449,440	332,400
Federal National Mortgage Association	40,000 0.00%	981,200	55,200
Federal National Mortgage Association	30,000 0.00%	1,432,500	60,000
3M Company	20,141 shares	1,600,598	1,646,124
Abbott Laboratories Incorporated	36,652 shares	1,605,991	1,892,251
Air Products & Chemicals Incorporated	16,062 shares	1,165,543	1,368,322
Altria Group Incorporated	52,350 shares	924,667	1,552,178
American Electric Power Incorporated	9,500 shares	360,130	392,445
American Express Company	28,000 shares	1,271,097	1,320,760
Apple Incorporated	2,200 shares	834,518	891,000
AT&T Incorporated	56,000 shares	1,707,150	1,693,440
Bank of New York Mellon Corporation	42,067 shares	1,389,743	837,554
Baxter International Incorporated	26,800 shares	1,257,688	1,326,064
Becton, Dickinson & Co.	11,000 shares	830,223	821,920
Caterpillar Incorporated	11,020 shares	793,808	998,412
Chevron Corporation	21,700 shares	1,939,965	2,308,880
Cisco Systems Incorporated	81,405 shares	1,802,429	1,471,802
Comcast Corporation	75,500 shares	1,421,078	1,790,105
ConocoPhillips Company	26,880 shares	1,518,005	1,958,746
DuPont E I De Nemours & Company	18,300 shares	627,579	837,774
Duke Energy Corporation	38,500 shares	711,241	847,000
EMC Corporation	64,000 shares	1,123,334	1,378,560
Ecolab Incorporated	16,100 shares	712,572	930,741
Emerson Electric Company	27,962 shares	1,205,170	1,302,750
Freeport McMoran Copper & Gold Inc.	24,800 shares	799,002	912,392

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Preferred and common stocks (continued)			
General Electric Company	125,901 shares	\$ 3,447,995	\$ 2,254,887
GlaxoSmithKline PLC – ADR	47,151 shares	2,103,754	2,151,500
Halliburton Company	30,600 shares	904,107	1,056,006
Hewlett-Packard Company	37,150 shares	1,480,353	956,984
Home Depot Incorporated	31,326 shares	1,035,675	1,316,945
Intel Corporation	50,200 shares	1,048,777	1,217,350
International Business Machines Corporation	5,991 shares	753,893	1,101,625
ISHARES Russell MidCap Fund	19,200 shares	1,449,614	1,416,000
ISHARES Russell 2000 Fund	48,400 shares	4,696,670	4,763,528
JP Morgan Chase & Company	47,800 shares	1,719,561	1,589,350
McCormick & Company Incorporated	30,300 shares	1,463,845	1,527,726
McDonalds Corporation	15,600 shares	1,173,550	1,565,148
Microsoft Corporation	69,081 shares	1,883,097	1,793,343
Monsanto Company	24,300 shares	1,814,151	1,702,700
Nike Incorporated Class B	11,200 shares	676,828	1,079,344
Oracle Corporation	58,100 shares	1,493,356	1,490,265
Pepco Holdings Incorporated	18,800 shares	355,014	381,640
PepsiCo Incorporated	27,482 shares	1,610,277	1,823,431
PG&E Corporation	8,700 shares	359,093	358,614
Pfizer Incorporated	46,298 shares	1,414,560	1,001,889
Phillip Morris International Corporation	30,550 shares	1,017,932	2,397,564
Pinnacle West Capital Corporation	8,400 shares	356,231	404,712
PNC Financial Services Group Corporation	24,400 shares	1,038,242	1,407,148
Procter & Gamble Company	20,953 shares	1,304,779	1,397,775
Raytheon Company	51,105 shares	2,354,348	2,472,460
Royal Dutch Shell PLC	31,700 shares	2,135,668	2,409,517
Schlumberger Ltd.	22,595 shares	1,503,780	1,543,464
Scripps Networks Interactive Incorporated	20,365 shares	883,319	863,883
Southern Company	17,500 shares	711,093	810,075
Sysco Corporation	55,284 shares	1,735,127	1,621,480
Target Corporation	34,100 shares	1,790,200	1,746,602
Vanguard International Equity Index	50,000 shares	2,350,883	1,910,500
Wal-Mart Stores Incorporated	11,975 shares	579,085	715,626
Walgreen Company	38,800 shares	1,325,726	1,282,728
Wells Fargo & Company	52,550 shares	1,583,483	1,448,278
Williams Companies Incorporated	45,600 shares	971,441	1,505,712
Total preferred and common stocks		81,990,178	83,465,819
Total investments		\$ 143,361,541	\$ 145,817,914

*Party-in-interest

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2011

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
<u>Category (3) – A Series of transactions in excess of 5% of plan assets</u>						
Discover Money Market	Money Market	\$ 23,102,825	\$ –	\$ 23,102,825	\$ 23,102,825	\$ –
		–	20,597,656	20,597,656	20,597,656	–

There were no category (1), (2), or (4) reportable transactions during 2011.

Columns for “Lease Rental” and “Expense Incurred with Transaction” are not applicable.

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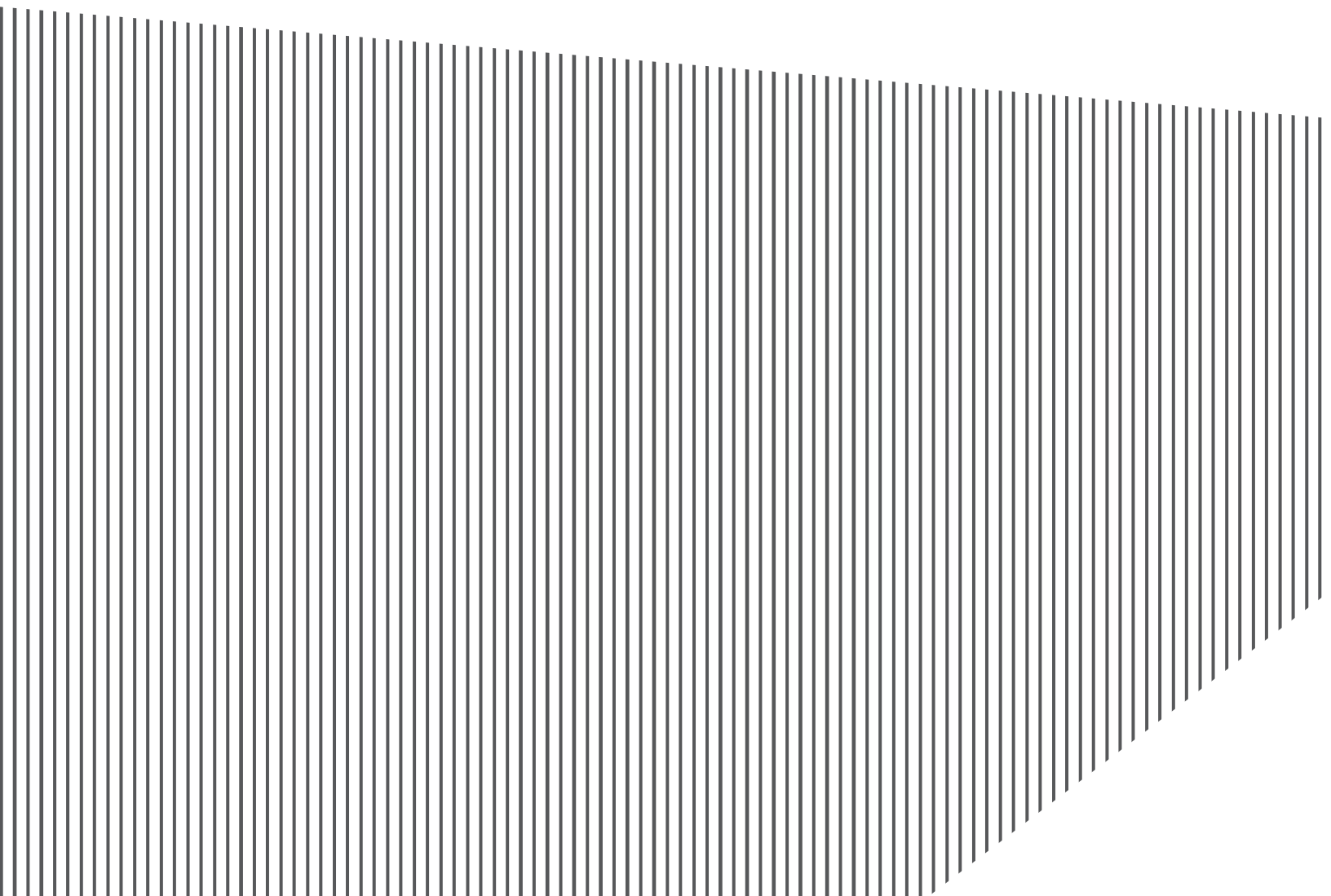
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AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN

EIN: 23-0758010

PN: 001

2011 Schedule B (Form 5500) - Line 26 - Schedule of Active Participant Data

Attained Age	Years of Credited Service													
	0 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 +	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0	-	0	-	0	-	0	-	0	-	0	-	0	-
25-29	0	-	14	-	1	-	0	-	0	-	0	-	0	-
30-34	0	-	21	44,383	14	-	0	-	0	-	0	-	0	-
35-39	0	-	24	49,073	20	48,847	8	-	2	-	0	-	0	-
40-44	0	-	34	63,460	22	55,291	15	-	8	-	0	-	0	-
45-49	0	-	21	57,181	20	64,513	23	63,175	8	-	7	-	3	-
50-54	0	-	43	61,049	29	50,720	20	59,296	7	-	14	-	5	-
55-59	0	-	29	90,066	32	62,607	27	73,528	4	-	2	-	8	-
60-64	0	-	31	54,856	36	63,461	19	-	4	-	3	-	2	-
65+	0	-	15	-	12	45,767	9	-	0	-	0	-	2	-
TOTAL	0		232		186		121		33		26		20	
														618

Actuarial Assumptions and Methods

This schedule summarizes the actuarial assumptions and cost methods used for the valuation.

I. Actuarial Assumptions for Cost Calculations

Interest

Funding: IRC 430(h) Funding Segment Rates of 2.94%, 5.82%, 6.46%. (In the prior valuation, the rates were 4.60%, 6.65%, 6.76%.)

PBGC: Same as funding

Salary Increases

3.5% per annum, compounded annually.

Social Security Taxable Wage Base

Assumed to increase by 3.5% per year, compounded annually.

Cost of Living Increases

Annual cost of living adjustment no greater than 3.0% per annum, compounded annually; applicable only to the frozen December 31, 1992 Maryland benefit and the frozen December 31, 2001 Central-West Jersey benefit.

Mortality

- (a) RP 2007 SP Table for ASC 715-30/ASC 960 (FAS 35) purposes.
- (b) RP 2011 annuitants and non-annuitants for PPA funding purposes.

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010

PN: 001

Withdrawal

Withdrawal rates which vary by age were assumed. Sample rates are illustrated below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	10.0%	15.0%
30	10.0	15.0
35	10.0	10.0
40	10.0	10.0
45	10.0	10.0
50	10.0	7.5
55	10.0	7.5
60	5.5	7.5

A loading factor based on service was applied to the above age-based rates. The factors are as illustrated below:

<u>Service</u>	<u>Factor</u>
1 year	2.00
2 years	1.50
3 years	1.25
4 years and later	1.05

Retirement

All active participants were assumed to retire at Normal Retirement Age or immediately if currently older than Normal Retirement Age.

Disability

No disability rates were assumed.

Spouses

85% of the active participants were assumed to be married with wives 3 years younger than husbands.

Expenses

None assumed. Expenses were assumed to be paid directly by the employer.

Asset Valuation Method

Market value.

AAA Mid-Atlantic Defined Benefit Pension Plan
EIN: 23-0758010 PN: 001

II. Actuarial Assumptions for Calculation of Actuarial Present Value of Accumulated Plan Benefits

Same as above except no future salary or taxable wage base increases were assumed.

III. Actuarial Cost Methods

For funding and ASC 960 (FAS 35) purposes, the Unit Credit Actuarial Cost Method was used to determine the actuarial present value of accumulated plan benefits (both vested and nonvested) as of the valuation date.

Benefits related to nonvested terminated participants were not valued even though benefits may be reinstated if any such participants were rehired.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

File as an attachment to Form 5500 or 5500-SF.

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

Round off amounts to nearest dollar.

Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN

B Three-digit
plan number (PN)

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

AAA MID-ATLANTIC INC.

D Employer Identification Number (EIN)

23-0758010

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2011**2** Assets:

	2a	2b
a Market value	146,278,160	
b Actuarial value		146,278,160

3 Funding target/participant count breakdown:

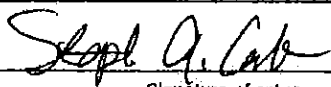
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	688	58,710,703
b For terminated vested participants	1,012	44,848,058
c For active participants:		
(1) Non-vested benefits		0
(2) Vested benefits		42,698,705
(3) Total active	618	42,698,705
d Total	2,318	146,257,466

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b

5 Effective interest rate 5 6.02 %**6** Target normal cost 6 1,703,730**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

STEPHEN A. CATONE, ASA

Type or print name of actuary

HAY GROUP, INC.

Firm name

100 PENN SQUARE EAST

PHILADELPHIA

Address of the firm

PA 19107-3388

9/6/12

Date

11-05357

Most recent enrollment number

(215) 861-2333

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2011
v.012811

(b) Prefunding balance

Equally Shuffled Cards or Quarter of the Party, etc.				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 2.94 %	2nd segment: 5.82 %	3rd segment: 6.46 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	1,703,730										
b Excess assets, if applicable, but not greater than 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1,703,730										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		851,866	0									
36 Additional cash requirement (line 34 minus line 35)	36	851,864										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5,935,580										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	5,083,716										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:				
a Schedule elected ☐ 2 plus 7 years ☐ 15 years				
b Eligible plan year(s) for which the election in line 41a was made				
	2008	2009	2010	2011
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			

AAA Mid-Atlantic Defined Benefit Pension Plan
EIN: 23-0758010 PN: 001

Line 19 – Discounted Employer Contributions
for 2011 Plan Year

<u>Minimum Funding Contribution assuming paid on 1/1/2011</u>	<u>Effective Interest Rate</u>	<u>Actual Payment (w/Date made)</u>
\$1,555,015	6.02%	\$1,556,000 (01/03/2011)*
940,924		1,000,000 (01/17/2012)*
<u>3,439,641</u>		<u>3,704,000</u> (04/05/2012)*
\$5,935,580		\$6,260,000

* applied to the 2011 plan year

AAA MID-ATLANTIC DEFINED BENEFIT PENSION PLAN

EIN: 23-0758010

PN: 001

2011 Schedule B (Form 5500) - Line 26 - Schedule of Active Participant Data

Years of Credited Service															
Attained Age	0 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 +		TOTAL
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	
Under 25	0	-	0		0	-	0	-	0	-	0	-	0	-	-
25-29	0	-	14		1		0	-	0	-	0	-	0	-	15
30-34	0	-	21	44,383	14		0		0	-	0	-	0	-	35
35-39	0	-	24	49,073	20	48,847	8		2	-	0	-	0	-	54
40-44	0	-	34	63,460	22	55,291	15		8	-	0	-	0	-	79
45-49	0	-	21	57,181	20	64,513	23	63,175	8		7	-	3	-	82
50-54	0	-	43	61,049	29	50,720	20	59,296	7	-	14	-	5	-	118
55-59	0	-	29	90,066	32	62,607	27	73,528	4	-	2	-	8	-	102
60-64	0	-	31	54,856	36	63,461	19		4	-	3	-	2	-	95
65+	0	-	15		12	45,767	9		0	-	0	-	2	-	38
TOTAL	0		232		186		121		33		26		20		618

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AAA Mid-Atlantic Defined Benefit Pension Plan
EIN: 23-0758010 PN: 001

Shortfall Amortization Charges for 2011

This schedule shows the Shortfall Amortization Charge (SAC), which is the Funding Shortfall (FS) amortized over a period of seven years. Under a phase-in rule, no SAC is needed when the following percentage is met:

<u>Plan Year</u>	<u>Plan Funding Percentage</u>
2008	92%
2009	94%
2010	96%
2011 and future years	100%

To meet this exemption for 2008, 2009, and 2010, it is also necessary that the plan was not in a deficit reduction position in 2007.

Effective with the 2011 valuation, the percentage is 100%.

To determine the Plan Funding Percentage for the Shortfall Amortization Base Exemption, plan assets are reduced by the Prefunding Balance, as shown below.

$$\begin{aligned} & \bullet \text{ (Assets - Prefunding Balance) / Funding Target} \\ & \quad = \\ & \quad (146,278,160 - 0) / 146,257,466 = 100.0\% \end{aligned}$$

Since the funding percentage of 100.0% (also shown in Schedule D, II, #6) is greater than 100% for plan year 2011, no SAC is needed for 2011.

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010

PN: 001

I. Summary of Plan Provisions as of January 1, 2011

This schedule contains a summary of the principal provisions of the plan in effect as of January 1, 2011.

1. Type of Plan

The Plan is a non-contributory, defined benefit plan.

2. Effective Date

The Plan became effective January 1, 1950.

3. Eligibility for Participation

Attainment of age 21 and one Year of Employment. Effective in 2005, new hires are not eligible to enter the Plan.

4. Definitions

- (a) **Plan Year:** A Plan Year is a 12-month period beginning on January 1 and ending on December 31.
- (b) **Hours of Service:** An hour for which an employee is paid, or entitled to payment for the performance of duties as well as any periods of vacation, holidays, sickness or disability.
- (c) **Year of Employment:** A 12-month period beginning on the employment commencement date during which the Employee completes at least 1,000 Hours of Service. If an Employee fails to complete 1,000 Hours of Service in the first 12 month period, a Year of Employment shall mean the first Plan Year in which 1,000 Hours of Service is completed
- (d) **Continuous Service:** The completion of 1,000 Hours of Service in a Plan Year shall constitute one year of Continuous Service for determining the vested percentage under the Plan.
- (e) **Credited Service:** The completion of 1,000 Hours of Service in a Plan Year shall constitute one year of Credited Service subsequent to January 1, 1976. Prior to that date, completed years and months shall be used in calculating Credited Service. Credit shall be given in both the first and final Plan Years of employment for fractions of years completed. The denominator of said fraction shall be 12 and the numerator shall be the actual number of completed months in the Plan Year of reference.

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010

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4. Definitions (cont'd)

- (f) **Cancellation and Restoration of Credits:** Fewer than 500 Hours of Service in a Plan Year constitutes a one-year break in service for purposes of vesting and benefit accrual. Vesting and benefit years and the Accrued Benefit will be restored (a) if the Participant completes one year of Credited Service following re-employment and (b) if the Participant's previous period of service exceeds his or her period of absence.
- (g) **Earnings:** Annual earnings including bonuses and overtime not in excess of \$245,000 (for 2009). This limit is subject to an indexed cost-of-living adjustment where adjustments are made in \$5,000 increments.
- (h) **Final Average Annual Earnings:** The Participant's earnings received in the highest five consecutive twelve month periods of service. NOTE: Final Average Annual Earnings are frozen at December 31, 2009 for benefits accrued prior to December 31, 2009.
- (i) **Covered Compensation:** The average of the taxable wage bases in effect for each year during the 35 year period ending with the year the Participant attains Social Security Retirement Age, assuming no increases in such wage base for years after the current year and before the Participant actually attains Social Security Retirement Age.

5. Retirement Benefits

Normal Retirement

- **Normal Retirement Date.** The first day of the month coincident with or next following the later of a Participant's 65th birthday or 5 years of Continuous Service.
- **Normal Retirement Benefit.**
 - **For service prior to January 1, 2010:** 1.5% of Final Average Annual Earnings at December 31, 2009 plus .5% of Final Average Annual Earnings at December 31, 2009 in excess of the Participant's Covered Compensation for 2009, the sum multiplied by the Participant's Credited Service at December 31, 2009 not in excess of 35 years; plus 2% of Final Average Annual Earnings times Credited Service in excess of 35 years.
 - **For service after December 31, 2009:** 1.0% of Final Average Annual Earnings plus .5% of Final Average Annual Earnings in excess of the Participant's Covered Compensation, the sum multiplied by the Participant's Credited Service after January 1, 2010, not in excess of 35 total years; plus 1.5% of Final Average Annual Earnings times Credited Service after January 1, 2010. For purposes of service after December 31, 2009, Final Average Annual Earnings only uses earnings after December 31, 2009.

The total benefit shall not exceed 60% of Final Average Annual Earnings.

5. Retirement Benefits (cont'd)

Effective for plan years beginning 1994, the maximum compensation limit for calculating plan benefits was decreased to \$150,000 (the limit was \$235,840 for 1993). For any participant affected by this change, a December 31, 1993 benefit is calculated under the old limit, and preserved as of that date. Future service accrual is calculated using the new, lower compensation limit and is added to the December 31, 1993 accrued benefit. In the future, as the current compensation limit (which is inflated for cost of living increases in \$10,000 increments) exceeds the old compensation limit under which the December 31, 1993 accrued benefit has been calculated, that accrued benefit shall then be adjusted upward proportionately to preserve its value.

Former participants of the following groups shall have their plan benefits calculated in accordance with their respective merger/acquisition agreements:

Automobile Club of Virginia: For service prior to December 31, 1994, benefits are calculated under, and paid from the Automobile Club of Virginia Retirement Plan. Effective in 1999, the Virginia Plan was merged into this plan. Service beginning as of January 1, 1995 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Automobile Club of Maryland: For service prior to December 31, 1992, benefits are calculated under, and paid from the Automobile Club of Maryland Plan. Effective in 1993, the Maryland Plan was merged into this plan. Service beginning as of January 1, 1993 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Anthracite Motor Club: Service beginning as of January 1, 1995 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

The Valley Automobile Club, Inc.: Service beginning as of January 1, 1997 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Potomac Division: Service beginning as of January 1, 1998 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

South Jersey Sales Group: Service beginning as of January 1, 1998 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

5. Retirement Benefits (cont'd)

AAA Central-West Jersey, Inc.: Benefits are calculated under the CWJ plan formula for service prior to December 31, 2001. An annual cost of living factor, no greater than 3%, is applied to the CWJ portion of the benefit. Service beginning as of January 1, 2002 shall be used to calculate a benefit under the AAA plan formula.

Early Retirement

- **Early Retirement Date:** The first day of any month after the Participant has both attained age 55 and completed at least 5 years of Continuous Service.
- **Early Retirement Benefit:** Calculated in the same manner as the Normal Retirement Benefit giving credit for service to the Early Retirement Date and reduced by 1/3 of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date.

Late Retirement

- **Late Retirement Date:** The first day of any month after the Participant's Normal Retirement Date.
- **Late Retirement Benefit:** The benefit accrued on the actual retirement date, considering earnings and service to that date.

6. Vested Benefit

- **Eligibility:** Completion of 5 or more years of Continuous Service.
- **Vested Benefit:** Calculated in the same manner as the Normal Retirement Benefit giving credit for service to the date of reference. If the value of the Vested Benefit is less than \$5,000, the Participant will receive a lump sum amount in lieu of a deferred annuity.

7. Death Benefits

Pre-Retirement Spouse's Benefit

- **Eligibility:** The death of a married Participant in active employment who has completed 5 years of Continuous Service or the death of a former married Participant entitled to a deferred Vested Benefit.
- **Spouse's Benefit:** An immediate benefit payable to the spouse calculated as if the Participant had terminated immediately before death, survived to the earliest retirement age, and retired on that date electing a joint and 50% survivor annuity with the spouse as the contingent annuitant.

Post-Retirement Spouse's Benefit: None, except as provided by the election of an optional form of payment.

8. Disability Benefit

- **Eligibility:** Attainment of age 40 and the completion of 10 years of Continuous Service.
- **Disability Benefit:** Calculated in the same manner as the Normal Retirement Benefit assuming that annual earnings shall continue in the same amount as paid for the 12 months immediately preceding the date from which a 6 month waiting period is determined, and allowing Credited Service to continue accruing during the time of the disability.

9. Form of Benefit Payment

Married Participant: If a Participant is married at the time of retirement, the pension will be paid in the form of an actuarially reduced joint and survivor monthly annuity with 50% of the payment continuing to the spouse for life, if surviving at the Participant's death.

Unmarried Participant: If a Participant is unmarried at the time of retirement, the pension will be paid in the form of a single life annuity, with payments to be made in equal monthly installments until the Participant's death.

10. Optional Payment Forms

At any time prior to the commencement of benefit payments, a Participant may elect to receive pension payments in some other form, which is the actuarial equivalent of the payment form prescribed subject to the approval of the pension plan committee.

10. Optional Payment Forms (continued)

Participants of the former Maryland plan may be eligible for a lump sum payment of their benefit, even if the amount is in excess of \$5,000. A Maryland participant may receive the Maryland portion of their benefit in lump sum form, as long as they meet the eligibility for that benefit under the old Maryland plan.

All CWJ participants are eligible to receive their CWJ accrued benefit in a lump sum, even if it is over \$5,000.

11. Employee Mandatory Contributions

Participants of the former Maryland plan who die or terminate prior to becoming vested and have made contributions to the plan shall have all of the contributions refunded with interest. Any retirement pension calculated under the Maryland benefit formula can not be less than the Accrued Benefit derived from Employee Mandatory Contributions.

12. Virginia Merger

Effective October 31, 1998, the assets and liabilities from the Automobile Club of Virginia Retirement Plan were merged into the Plan.

13. Central-West Jersey Merger

Effective December 31, 2001, the assets and liabilities from the AAA Central-West Jersey, Inc. Pension Plan were merged into the Plan.

14. Pension Choice

Effective December 31, 2004, all participants had the option to move from this DB plan to a newly created DC plan. If a participant chose the DC plan, the participant's DB benefit became frozen at 12/31/04 and the corresponding lump sum was transferred from this DB plan to the DC plan.

15. Plan Benefit Formula Change

Effective December 31, 2010, the benefit formula was modified as discussed in #5 of this Section.

II. Changes In Plan Provisions Since Prior Valuation

None.

Actuarial Assumptions and Methods

This schedule summarizes the actuarial assumptions and cost methods used for the valuation.

I. Actuarial Assumptions for Cost Calculations

Interest

Funding: IRC 430(h) Funding Segment Rates of 2.94%, 5.82%, 6.46%. (In the prior valuation, the rates were 4.60%, 6.65%, 6.76%.)

PBGC: Same as funding

Salary Increases

3.5% per annum, compounded annually.

Social Security Taxable Wage Base

Assumed to increase by 3.5% per year, compounded annually.

Cost of Living Increases

Annual cost of living adjustment no greater than 3.0% per annum, compounded annually; applicable only to the frozen December 31, 1992 Maryland benefit and the frozen December 31, 2001 Central-West Jersey benefit.

Mortality

- (a) RP 2007 SP Table for ASC 715-30/ASC 960 (FAS 35) purposes.
- (b) RP 2011 annuitants and non-annuitants for PPA funding purposes.

AAA Mid-Atlantic Defined Benefit Pension Plan
EIN: 23-0758010 PN: 001

Withdrawal

Withdrawal rates which vary by age were assumed. Sample rates are illustrated below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	10.0%	15.0%
30	10.0	15.0
35	10.0	10.0
40	10.0	10.0
45	10.0	10.0
50	10.0	7.5
55	10.0	7.5
60	5.5	7.5

A loading factor based on service was applied to the above age-based rates. The factors are as illustrated below:

<u>Service</u>	<u>Factor</u>
1 year	2.00
2 years	1.50
3 years	1.25
4 years and later	1.05

Retirement

All active participants were assumed to retire at Normal Retirement Age or immediately if currently older than Normal Retirement Age.

Disability

No disability rates were assumed.

Spouses

85% of the active participants were assumed to be married with wives 3 years younger than husbands.

Expenses

None assumed. Expenses were assumed to be paid directly by the employer.

Asset Valuation Method

Market value.

AAA Mid-Atlantic Defined Benefit Pension Plan
EIN: 23-0758010 PN: 001

II. Actuarial Assumptions for Calculation of Actuarial Present Value of Accumulated Plan Benefits

Same as above except no future salary or taxable wage base increases were assumed.

III. Actuarial Cost Methods

For funding and ASC 960 (FAS 35) purposes, the Unit Credit Actuarial Cost Method was used to determine the actuarial present value of accumulated plan benefits (both vested and nonvested) as of the valuation date.

Benefits related to nonvested terminated participants were not valued even though benefits may be reinstated if any such participants were rehired.

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Short-term money market funds			
*Blackrock – Institutional Fund	254 Money Market	\$ 254	\$ 254
*Discover Money Market	32,860,220 Money Market	32,860,220	32,860,220
Total short-term money market funds		32,860,474	32,860,474
U.S. Government and sponsored agency securities			
Federal National Mortgage Association	344,699 5.000% due 05/25/2018	332,635	358,532
Federal National Mortgage Association	553,731 5.190% due 01/01/2023	516,008	614,061
Federal National Mortgage Association	342,507 5.000% due 01/25/2032	332,660	352,000
Federal National Mortgage Association	178,950 5.500% due 10/25/2031	178,088	181,786
Federal National Mortgage Association	1,000,000 5.500% due 03/25/2023	983,125	1,118,868
Federal National Mortgage Association	1,000,000 5.000% due 05/55/2032	988,125	1,049,495
Federal Home Loan Mortgage Corporation	18,121 5.000% due 05/15/2017	18,596	18,234
Federal Home Loan Mortgage Corporation	3,396,526 5.000% due 02/15/2023	3,332,841	3,630,937
Federal Home Loan Mortgage Corporation	685,381 5.000% due 02/15/2032	678,313	709,234
Federal Home Loan Mortgage Corporation	500,330 5.500% due 06/01/2032	506,740	514,947
Tennessee Valley Authority	500,000 6.000% due 03/15/2013	496,820	534,320
Total U.S. government securities		8,363,951	9,082,414
Municipal bonds			
University Cent FLA	1,500,000 5.125% due 10/01/2020	1,364,250	1,422,405
Total municipal bonds		1,364,250	1,422,405
Mortgage-backed securities			
Virginia State Housing Development Authority	672,384 6.000% due 03/25/2038	582,107	625,478
U.S. Department of Transportation	855,404 5.594% due 12/07/2021	846,377	855,404
Total mortgage-backed securities		1,428,484	1,480,882
Corporate bonds			
Bank of New York Instit Cap	1,000,000 7.780% due 12/01/2026	995,000	1,017,500
Cargill Incorporated	1,000,000 5.600% due 09/15/2012	941,610	1,030,232
Citigroup Incorporated	500,000 6.500% due 08/19/2023	499,705	520,481
General Electric Capital Corporation	800,000 6.125% due 02/22/2011	950,000	1,002,277
Harley Davidson Funding	1,000,000 5.250% due 12/15/2012	994,740	1,030,323
International Business Machines Corporation	1,000,000 6.500% due 10/15/2013	1,001,420	1,102,797
International Lease Financing Corporation	846,000 6.375% due 03/25/2013	845,103	841,770
Invesco Systems Ltd.	1,000,000 5.375% due 12/15/2014	887,540	1,071,990
Kimberly Clark Corporation	300,000 6.250% due 07/15/2018	289,560	372,027

AAA Mid-Atlantic Defined Benefit Pension Plan

EIN: 23-0758010 Plan: 001

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Corporate bonds (continued)			
Morgan Stanley	1,000,000 5.000% due 07/09/2025	\$ 990,000	\$ 965,290
National City Corporation	1,000,000 4.900% due 01/15/2015	876,250	1,080,626
Northwestern Corporation	1,545,000 6.040% due 09/01/2016	1,527,155	1,784,917
Penn Mutual Life Insurance Co.	1,000,000 6.65% due 06/15/2034	889,300	1,117,474
PNC Preferred Funding	1,000,000 6.113% due 03/15/2012	1,000,000	730,000
Southwest Airlines Company	871,412 7.220% due 07/01/2013	827,841	903,532
Union Bank of California	1,000,000 5.950% due 05/11/2016	971,610	1,082,199
USB Realty Corporation	1,000,000 6.091% due 12/22/2049	997,450	695,000
Virginia Electric & Power Company	1,000,000 5.400% due 01/15/2016	873,820	1,152,485
Washington Mutual Preferred Funding	1,000,000 0.000% due 12/29/2049	996,100	5,000
Total corporate bonds		17,354,204	17,505,920
Preferred and common stocks			
Federal Home Loan Mortgage Corporation	40,000 8.75%	1,000,000	53,200
Cabco TST	20,000 6.25%	449,440	332,400
Federal National Mortgage Association	40,000 0.00%	981,200	55,200
Federal National Mortgage Association	30,000 0.00%	1,432,500	60,000
3M Company	20,141 shares	1,600,598	1,646,124
Abbott Laboratories Incorporated	36,652 shares	1,605,991	1,892,251
Air Products & Chemicals Incorporated	16,062 shares	1,165,543	1,368,322
Altria Group Incorporated	52,350 shares	924,667	1,552,178
American Electric Power Incorporated	9,500 shares	360,130	392,445
American Express Company	28,000 shares	1,271,097	1,320,760
Apple Incorporated	2,200 shares	834,518	891,000
AT&T Incorporated	56,000 shares	1,707,150	1,693,440
Bank of New York Mellon Corporation	42,067 shares	1,389,743	837,554
Baxter International Incorporated	26,800 shares	1,257,688	1,326,064
Becton, Dickenson & Co.	11,000 shares	830,223	821,920
Caterpillar Incorporated	11,020 shares	793,808	998,412
Chevron Corporation	21,700 shares	1,939,965	2,308,880
Cisco Systems Incorporated	81,405 shares	1,802,429	1,471,802
Comcast Corporation	75,500 shares	1,421,078	1,790,105
ConocoPhillips Company	26,880 shares	1,518,005	1,958,746
DuPont E I De Nemours & Company	18,300 shares	627,579	837,774
Duke Energy Corporation	38,500 shares	711,241	847,000
EMC Corporation	64,000 shares	1,123,334	1,378,560
Ecolab Incorporated	16,100 shares	712,572	930,741
Emerson Electric Company	27,962 shares	1,205,170	1,302,750
Freeport McMoran Copper & Gold Inc.	24,800 shares	799,002	912,392

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

December 31, 2011

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Shares Held, Collateral, Par or Maturity Value	Cost	Current Value
Preferred and common stocks (continued)			
General Electric Company	125,901 shares	\$ 3,447,995	\$ 2,254,887
GlaxoSmithKline PLC – ADR	47,151 shares	2,103,754	2,151,500
Halliburton Company	30,600 shares	904,107	1,056,006
Hewlett-Packard Company	37,150 shares	1,480,353	956,984
Home Depot Incorporated	31,326 shares	1,035,675	1,316,945
Intel Corporation	50,200 shares	1,048,777	1,217,350
International Business Machines Corporation	5,991 shares	753,893	1,101,625
ISHARES Russell MidCap Fund	19,200 shares	1,449,614	1,416,000
ISHARES Russell 2000 Fund	48,400 shares	4,696,670	4,763,528
JP Morgan Chase & Company	47,800 shares	1,719,561	1,589,350
McCormick & Company Incorporated	30,300 shares	1,463,845	1,527,726
McDonalds Corporation	15,600 shares	1,173,550	1,565,148
Microsoft Corporation	69,081 shares	1,883,097	1,793,343
Monsanto Company	24,300 shares	1,814,151	1,702,700
Nike Incorporated Class B	11,200 shares	676,828	1,079,344
Oracle Corporation	58,100 shares	1,493,356	1,490,265
Pepco Holdings Incorporated	18,800 shares	355,014	381,640
PepsiCo Incorporated	27,482 shares	1,610,277	1,823,431
PG&E Corporation	8,700 shares	359,093	358,614
Pfizer Incorporated	46,298 shares	1,414,560	1,001,889
Phillip Morris International Corporation	30,550 shares	1,017,932	2,397,564
Pinnacle West Capital Corporation	8,400 shares	356,231	404,712
PNC Financial Services Group Corporation	24,400 shares	1,038,242	1,407,148
Procter & Gamble Company	20,953 shares	1,304,779	1,397,775
Raytheon Company	51,105 shares	2,354,348	2,472,460
Royal Dutch Shell PLC	31,700 shares	2,135,668	2,409,517
Schlumberger Ltd.	22,595 shares	1,503,780	1,543,464
Scripps Networks Interactive Incorporated	20,365 shares	883,319	863,883
Southern Company	17,500 shares	711,093	810,075
Sysco Corporation	55,284 shares	1,735,127	1,621,480
Target Corporation	34,100 shares	1,790,200	1,746,602
Vanguard International Equity Index	50,000 shares	2,350,883	1,910,500
Wal-Mart Stores Incorporated	11,975 shares	579,085	715,626
Walgreen Company	38,800 shares	1,325,726	1,282,728
Wells Fargo & Company	52,550 shares	1,583,483	1,448,278
Williams Companies Incorporated	45,600 shares	971,441	1,505,712
Total preferred and common stocks		81,990,178	83,465,819
Total investments		\$ 143,361,541	\$ 145,817,914

*Party-in-interest

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Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended December 31, 2011

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on		Net Gain or (Loss)
					Transaction Date		
<u>Category (3) – A Series of transactions in excess of 5% of plan assets</u>							
Discover Money Market	Money Market	\$ 23,102,825	\$ –	\$ 23,102,825	\$ 23,102,825	\$ –	
		–	20,597,656	20,597,656	20,597,656	–	

There were no category (1), (2), or (4) reportable transactions during 2011.

Columns for “Lease Rental” and “Expense Incurred with Transaction” are not applicable.

I. Summary of Plan Provisions as of January 1, 2011

This schedule contains a summary of the principal provisions of the plan in effect as of January 1, 2011.

1. Type of Plan

The Plan is a non-contributory, defined benefit plan.

2. Effective Date

The Plan became effective January 1, 1950.

3. Eligibility for Participation

Attainment of age 21 and one Year of Employment. Effective in 2005, new hires are not eligible to enter the Plan.

4. Definitions

- (a) **Plan Year:** A Plan Year is a 12-month period beginning on January 1 and ending on December 31.
- (b) **Hours of Service:** An hour for which an employee is paid, or entitled to payment for the performance of duties as well as any periods of vacation, holidays, sickness or disability.
- (c) **Year of Employment:** A 12-month period beginning on the employment commencement date during which the Employee completes at least 1,000 Hours of Service. If an Employee fails to complete 1,000 Hours of Service in the first 12 month period, a Year of Employment shall mean the first Plan Year in which 1,000 Hours of Service is completed
- (d) **Continuous Service:** The completion of 1,000 Hours of Service in a Plan Year shall constitute one year of Continuous Service for determining the vested percentage under the Plan.
- (e) **Credited Service:** The completion of 1,000 Hours of Service in a Plan Year shall constitute one year of Credited Service subsequent to January 1, 1976. Prior to that date, completed years and months shall be used in calculating Credited Service. Credit shall be given in both the first and final Plan Years of employment for fractions of years completed. The denominator of said fraction shall be 12 and the numerator shall be the actual number of completed months in the Plan Year of reference.

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4. Definitions (cont'd)

- (f) **Cancellation and Restoration of Credits:** Fewer than 500 Hours of Service in a Plan Year constitutes a one-year break in service for purposes of vesting and benefit accrual. Vesting and benefit years and the Accrued Benefit will be restored (a) if the Participant completes one year of Credited Service following re-employment and (b) if the Participant's previous period of service exceeds his or her period of absence.
- (g) **Earnings:** Annual earnings including bonuses and overtime not in excess of \$245,000 (for 2009). This limit is subject to an indexed cost-of-living adjustment where adjustments are made in \$5,000 increments.
- (h) **Final Average Annual Earnings:** The Participant's earnings received in the highest five consecutive twelve month periods of service. NOTE: Final Average Annual Earnings are frozen at December 31, 2009 for benefits accrued prior to December 31, 2009.
- (i) **Covered Compensation:** The average of the taxable wage bases in effect for each year during the 35 year period ending with the year the Participant attains Social Security Retirement Age, assuming no increases in such wage base for years after the current year and before the Participant actually attains Social Security Retirement Age.

5. Retirement Benefits

Normal Retirement

- **Normal Retirement Date.** The first day of the month coincident with or next following the later of a Participant's 65th birthday or 5 years of Continuous Service.
- **Normal Retirement Benefit.**
 - **For service prior to January 1, 2010:** 1.5% of Final Average Annual Earnings at December 31, 2009 plus .5% of Final Average Annual Earnings at December 31, 2009 in excess of the Participant's Covered Compensation for 2009, the sum multiplied by the Participant's Credited Service at December 31, 2009 not in excess of 35 years; plus 2% of Final Average Annual Earnings times Credited Service in excess of 35 years.
 - **For service after December 31, 2009:** 1.0% of Final Average Annual Earnings plus .5% of Final Average Annual Earnings in excess of the Participant's Covered Compensation, the sum multiplied by the Participant's Credited Service after January 1, 2010, not in excess of 35 total years; plus 1.5% of Final Average Annual Earnings times Credited Service after January 1, 2010. For purposes of service after December 31, 2009, Final Average Annual Earnings only uses earnings after December 31, 2009.

The total benefit shall not exceed 60% of Final Average Annual Earnings.

5. Retirement Benefits (cont'd)

Effective for plan years beginning 1994, the maximum compensation limit for calculating plan benefits was decreased to \$150,000 (the limit was \$235,840 for 1993). For any participant affected by this change, a December 31, 1993 benefit is calculated under the old limit, and preserved as of that date. Future service accrual is calculated using the new, lower compensation limit and is added to the December 31, 1993 accrued benefit. In the future, as the current compensation limit (which is inflated for cost of living increases in \$10,000 increments) exceeds the old compensation limit under which the December 31, 1993 accrued benefit has been calculated, that accrued benefit shall then be adjusted upward proportionately to preserve its value.

Former participants of the following groups shall have their plan benefits calculated in accordance with their respective merger/acquisition agreements:

Automobile Club of Virginia: For service prior to December 31, 1994, benefits are calculated under, and paid from the Automobile Club of Virginia Retirement Plan. Effective in 1999, the Virginia Plan was merged into this plan. Service beginning as of January 1, 1995 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Automobile Club of Maryland: For service prior to December 31, 1992, benefits are calculated under, and paid from the Automobile Club of Maryland Plan. Effective in 1993, the Maryland Plan was merged into this plan. Service beginning as of January 1, 1993 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Anthracite Motor Club: Service beginning as of January 1, 1995 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

The Valley Automobile Club, Inc.: Service beginning as of January 1, 1997 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

Potomac Division: Service beginning as of January 1, 1998 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

South Jersey Sales Group: Service beginning as of January 1, 1998 shall be used to calculate a benefit under the AAA plan formula. Determination of vesting status shall be based on original date of hire.

5. Retirement Benefits (cont'd)

AAA Central-West Jersey, Inc.: Benefits are calculated under the CWJ plan formula for service prior to December 31, 2001. An annual cost of living factor, no greater than 3%, is applied to the CWJ portion of the benefit. Service beginning as of January 1, 2002 shall be used to calculate a benefit under the AAA plan formula.

Early Retirement

- **Early Retirement Date:** The first day of any month after the Participant has both attained age 55 and completed at least 5 years of Continuous Service.
- **Early Retirement Benefit:** Calculated in the same manner as the Normal Retirement Benefit giving credit for service to the Early Retirement Date and reduced by 1/3 of 1% for each month by which the Early Retirement Date precedes the Normal Retirement Date.

Late Retirement

- **Late Retirement Date:** The first day of any month after the Participant's Normal Retirement Date.
- **Late Retirement Benefit:** The benefit accrued on the actual retirement date, considering earnings and service to that date.

6. Vested Benefit

- **Eligibility:** Completion of 5 or more years of Continuous Service.
- **Vested Benefit:** Calculated in the same manner as the Normal Retirement Benefit giving credit for service to the date of reference. If the value of the Vested Benefit is less than \$5,000, the Participant will receive a lump sum amount in lieu of a deferred annuity.

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7. Death Benefits

Pre-Retirement Spouse's Benefit

- ***Eligibility:*** The death of a married Participant in active employment who has completed 5 years of Continuous Service or the death of a former married Participant entitled to a deferred Vested Benefit.
- ***Spouse's Benefit:*** An immediate benefit payable to the spouse calculated as if the Participant had terminated immediately before death, survived to the earliest retirement age, and retired on that date electing a joint and 50% survivor annuity with the spouse as the contingent annuitant.

Post-Retirement Spouse's Benefit: None, except as provided by the election of an optional form of payment.

8. Disability Benefit

- ***Eligibility:*** Attainment of age 40 and the completion of 10 years of Continuous Service.
- ***Disability Benefit:*** Calculated in the same manner as the Normal Retirement Benefit assuming that annual earnings shall continue in the same amount as paid for the 12 months immediately preceding the date from which a 6 month waiting period is determined, and allowing Credited Service to continue accruing during the time of the disability.

9. Form of Benefit Payment

Married Participant: If a Participant is married at the time of retirement, the pension will be paid in the form of an actuarially reduced joint and survivor monthly annuity with 50% of the payment continuing to the spouse for life, if surviving at the Participant's death.

Unmarried Participant: If a Participant is unmarried at the time of retirement, the pension will be paid in the form of a single life annuity, with payments to be made in equal monthly installments until the Participant's death.

10. Optional Payment Forms

At any time prior to the commencement of benefit payments, a Participant may elect to receive pension payments in some other form, which is the actuarial equivalent of the payment form prescribed subject to the approval of the pension plan committee.

10. Optional Payment Forms (continued)

Participants of the former Maryland plan may be eligible for a lump sum payment of their benefit, even if the amount is in excess of \$5,000. A Maryland participant may receive the Maryland portion of their benefit in lump sum form, as long as they meet the eligibility for that benefit under the old Maryland plan.

All CWJ participants are eligible to receive their CWJ accrued benefit in a lump sum, even if it is over \$5,000.

11. Employee Mandatory Contributions

Participants of the former Maryland plan who die or terminate prior to becoming vested and have made contributions to the plan shall have all of the contributions refunded with interest. Any retirement pension calculated under the Maryland benefit formula can not be less than the Accrued Benefit derived from Employee Mandatory Contributions.

12. Virginia Merger

Effective October 31, 1998, the assets and liabilities from the Automobile Club of Virginia Retirement Plan were merged into the Plan.

13. Central-West Jersey Merger

Effective December 31, 2001, the assets and liabilities from the AAA Central-West Jersey, Inc. Pension Plan were merged into the Plan.

14. Pension Choice

Effective December 31, 2004, all participants had the option to move from this DB plan to a newly created DC plan. If a participant chose the DC plan, the participant's DB benefit became frozen at 12/31/04 and the corresponding lump sum was transferred from this DB plan to the DC plan.

15. Plan Benefit Formula Change

Effective December 31, 2010, the benefit formula was modified as discussed in #5 of this Section.

II. Changes In Plan Provisions Since Prior Valuation

None.