

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>BARE ESCENTUALS 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2006</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>BARE ESCENTUALS BEAUTY, INC.</u> <u>71 STEVENSON STREET</u> <u>22ND FLOOR</u> <u>SAN FRANCISCO, CA 94105</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-1062857</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>415-489-5500</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>446120</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-1062857</u>	2c Sponsor's telephone number <u>415-489-5500</u>	2d Business code (see instructions) <u>446120</u>	
2b Employer Identification Number (EIN) <u>20-1062857</u>					
2c Sponsor's telephone number <u>415-489-5500</u>					
2d Business code (see instructions) <u>446120</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.	10/12/2012	JANET BIANCHI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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") BARE ESSENTIALS BEAUTY, INC. 71 STEVENSON STREET 22ND FLOOR SAN FRANCISCO, CA 94105	3b Administrator's EIN 20-1062857 3c Administrator's telephone number 415-489-5500
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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	2473
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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	3063
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	147
d Subtotal. Add lines 6a , 6b , and 6c	6d	3210
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	3210
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	717
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	49

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:

2F 2G 2J 2K 2T 3D 3H

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan BARE ESCENTUALS 401(K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 BARE ESCENTUALS BEAUTY, INC.	D Employer Identification Number (EIN) 20-1062857	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
STANDARD INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
93-0242990	69019	802131	0	01/01/2011	03/31/2011

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

(a) Total amount of commissions paid	(b) Total amount of fees paid

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

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

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

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

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

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

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

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

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

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

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

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

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☒ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	2223653
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c Additions: (1) Contributions deposited during the year	7c(1)	103739	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	12879	
(4) Transferred from separate account	7c(4)	32204	
(5) Other (specify below)	7c(5)	10256	

▶ LOAN PAYMENTS

(6) Total additions	7c(6)	159078
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d Total of balance and additions (add b and c(6))	7d	2382731
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	191930	
(2) Administration charge made by carrier	7e(2)	9310	
(3) Transferred to separate account	7e(3)	2166937	
(4) Other (specify below)	7e(4)	14554	

▶ LOAN ISSUES

(5) Total deductions	7e(5)	2382731
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f Balance at the end of the current year (subtract e(5) from d)	7f	0
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) 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 <u>BARE ESCENTUALS 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BARE ESCENTUALS BEAUTY, INC.</u>	D Employer Identification Number (EIN) <u>20-1062857</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
FIDELITY INVESTMENTS INST. OPS. CO.

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 65 37 60	RECORDKEEPER	2550	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

STANCORP FINANCIAL GROUP

93-1253576

(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?
12	NONE	12275	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ALLNZ NFJ SMCAPVAL I - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160</p> <p>04-2270522</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.10%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ALLNZ RCM TECHN INST - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.10%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AM CENT GLB GRTH INV - AMERICAN CEN</p> <p>44-0619208</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.35%</p>		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DAVIS NY VENTURE Y - BOSTON FINANCI 330 W. 9TH STREET KANSAS CITY, MO 66160	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GS MIDCAP VALUE INST - GOLDMAN, SAC 13-5108880	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HARBOR BOND FD IS - PRINCIPAL SHARE 34-1953399	0.10%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
<div style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</div>		
HARBOR INTL INST - PRINCIPAL SHAREH 34-1953399	0.10%	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
<div style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</div>		
IVK GRTH & INC Y - INVESCO CANADA L 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA	0.15%	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
<div style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</div>		
MUNDER MDCPCORE GR Y - BNY MELLON I P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>NUVEEN REAL ESTATE I - US BANCORP F</p> <p>39-0281260</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>NUVEEN SM CP SEL I - US BANCORP FUN</p> <p>39-0281260</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>PARNASSUS EQ INC IS - PARNASSUS INV</p> <p>94-2943858</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.10%</p>		

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

(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL		60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ROYCE PA MUTUAL INV - BOSTON FINANC P.O. BOX 8480 BOSTON, MA 02266		0.20%	

(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL		60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP EQUITY INCOME - T. ROWE PRICE S 52-2269240		0.15%	

(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL		60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP GROWTH STOCK - T. ROWE PRICE SE 52-2269240		0.15%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP HEALTH SCIENCES - T. ROWE PRICE 52-2269240	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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A Name of plan BARE ESCENTUALS 401(K) PLAN	B Three-digit plan number (PN)	002
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 BARE ESCENTUALS BEAUTY, INC.	D Employer Identification Number (EIN) 20-1062857
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	SEPARATE ACCOUNT A
--	--------------------

b Name of sponsor of entity listed in (a):	STANDARD INSURANCE COMPANY
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c EIN-PN	93-0242990-005	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
--	--

b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
-----------------	--	----------------------	--	---	--

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

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

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

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

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

b Name of sponsor of entity listed in (a):	
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
--	--

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan BARE ESCENTUALS 401(K) PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 BARE ESCENTUALS BEAUTY, INC.		D Employer Identification Number (EIN) 20-1062857

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	18327	31088
	(2) Participant contributions	1b(2)	60106	92079
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	224512	426255
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)	9436777	0
	(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)	0	13560492
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2223653	0
	(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	11963375	14109914

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	21238	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	136873	522200
k Total liabilities (add all amounts in lines 1g through 1j)	1k	158111	522200

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11805264	13587714
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	651681	
(B) Participants	2a(1)(B)	2481216	
(C) Others (including rollovers)	2a(1)(C)	659824	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3792721
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	9263	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9263
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	164926	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		164926
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		583916
(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)		-962869
c Other income.....	2c		-37523
d Total income. Add all income amounts in column (b) and enter total.....	2d		3550434

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1242654	
(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)		1242654
f Corrective distributions (see instructions)	2f		522200
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)	3130	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3130
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1767984

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1782450
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: SHEA LABAGH DOBBERSTEIN

(2) EIN: 94-2290202

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.).....	☒		100888
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.).....		☒	
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.)		☒	
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.).....		☒	
e Was this plan covered by a fidelity bond?.....	☒		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒		
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.).....		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		☒	
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.		☒	

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

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

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

5b(1) Name of plan(s)

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

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

A Name of plan <u>BARE ESCENTUALS 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BARE ESCENTUALS BEAUTY, INC.</u>	D Employer Identification Number (EIN) <u>20-1062857</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u> <u>93-0242990</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BARE ESCENTUALS 401(k) PLAN

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES**

Year Ended December 31, 2011

BARE ESCENTUALS 401(k) PLAN

Year Ended December 31, 2011

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011	3
Notes to Financial Statements	4 - 17
Supplemental Schedules:	
Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2011	18
Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011	19



SHEA LABAGH DOBBERSTEIN

Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE PLAN ADMINISTRATOR AND PARTICIPANTS OF BARE ESCENTUALS 401(k) PLAN

We were engaged to audit the accompanying statements of net assets available for benefits of the BARE ESCENTUALS 401(k) PLAN (the "Plan") as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedules of Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2011 and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 4 which was certified by Fidelity Management Trust Company and Standard Insurance Company, the current trustee and former custodian of the Plan, respectively, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that Fidelity Management Trust Company holds the Plan's investment assets and executes investment transactions from April 1, 2011 to December 31, 2011 and that the Standard Insurance Company held the Plan's investment assets and executed investment transactions as of December 31, 2010 and for the period January 1, 2011 to March 31, 2011. The plan administrator has obtained certifications from the current trustee and the former custodian as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the current trustee and former custodian is complete and accurate.

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

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

October 11, 2012

BARE ESSENTIALS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>		
Mutual Funds	\$ 11,036,132	\$ -
Common Collective Trust Fund	2,541,900	-
Pooled Separate Accounts	-	9,436,777
Guaranteed Investment Contract	-	2,290,393
<u>TOTAL INVESTMENTS</u>	<u>13,578,032</u>	<u>11,727,170</u>
<u>RECEIVABLES</u>		
Notes Receivable from Participants	426,255	224,512
Participant Contributions	92,079	60,106
Employer Contributions	31,088	18,327
<u>TOTAL RECEIVABLES</u>	<u>549,422</u>	<u>302,945</u>
<u>TOTAL ASSETS</u>	<u>14,127,454</u>	<u>12,030,115</u>
<u>LIABILITIES</u>		
<u>LIABILITIES</u>		
Accrued Expenses	-	21,238
Excess Contributions Payable	522,200	136,873
<u>TOTAL LIABILITIES</u>	<u>522,200</u>	<u>158,111</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE</u>	13,605,254	11,872,004
<u>ADJUSTMENT FROM FAIR VALUE TO CONTRACT</u> <u>VALUE FOR INTEREST IN GUARANTEED INVESTMENT</u> <u>CONTRACT RELATING TO FULLY BENEFIT-RESPONSIVE</u> <u>INVESTMENT CONTRACT</u>	(17,540)	(66,740)
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 13,587,714</u>	<u>\$ 11,805,264</u>

BARE ESCENTUALS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2011

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

<u>INVESTMENT INTEREST AND DIVIDEND INCOME</u>	<u>\$ 177,612</u>
<u>INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS</u>	<u>9,263</u>
<u>CONTRIBUTIONS</u>	
Participants	1,959,016
Employer	651,681
Rollover	<u>659,823</u>
<u>TOTAL CONTRIBUTIONS</u>	<u>3,270,520</u>
<u>TOTAL ADDITIONS</u>	<u>3,457,395</u>

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

<u>NET DEPRECIATION IN FAIR VALUE OF INVESTMENTS</u>	422,675
<u>BENEFITS PAID TO PARTICIPANTS</u>	1,242,654
<u>ADMINISTRATIVE EXPENSES</u>	<u>9,616</u>
<u>TOTAL DEDUCTIONS</u>	<u>1,674,945</u>
<u>NET INCREASE IN NET ASSETS</u>	1,782,450
<u>NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR</u>	<u>11,805,264</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR</u>	<u>\$ 13,587,714</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the BARE ESCENTUALS 401(k) PLAN (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General – The Plan was established on January 1, 2006 to provide retirement benefits for employees of STB Beauty, Inc. dba Bare Escentuals (the “Company”). The Plan is a defined contribution plan covering all eligible employees who have attained twenty one years of age and are not non-resident aliens or members of a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan’s operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and government regulations, and providing participants with any reports and documents required by law.

Effective April 1, 2011, the Standard Insurance Company, the former custodian, was replaced by Fidelity Management Trust Company as the Plan’s trustee.

Participant Contributions – Participants may voluntarily contribute up to 100% of their annual compensation, with maximum contributions of \$16,500 for 2011. Additionally, participants, who have attained fifty years of age before the end of the Plan year, are eligible to make catch up contributions up to \$5,500. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

Employer Contributions – The Company may make discretionary matching contributions. For the year ended December 31, 2011, the Company made matching contributions equal to 100% of each participant’s pretax contribution, up to a maximum of 2% of each participant’s pretax compensation per payroll period. The Secretary of the Treasury limits the amount of compensation that may be taken into account each Plan year.

Participant Accounts – The Plan maintains an account for each participant, which is credited with the participant’s contributions and allocations of the Company’s contributions and Plan investment earnings or losses. Allocations are based on participant compensation or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant’s vested account.

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Vesting – Participants are immediately vested in their voluntary contributions and rollover contributions plus actual earnings thereon. For participants terminated prior to January 1, 2008, vesting in the Company's discretionary matching contributions and earnings thereon is based on the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

For participants terminated on or after January 1, 2008, vesting in the Company's discretionary matching contributions and earnings thereon is based on the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	33%
2	67%
3 or more	100%

Investment Options – Upon enrollment in the Plan, a participant may direct the investment of his or her account balance into various funds available through the Plan.

Notes Receivable from Participants – Participants may borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000. The duration of the loan is not to exceed five years, except for loans used to finance the purchase of a primary residence. Interest rates are based on the prime rate as listed in the Wall Street Journal Money Rate Table and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. The interest rate on loans outstanding at December 31, 2011 is 3.25% and the loan maturity dates range from January 2012 to May 2021.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits – Upon termination of service, death, disability or retirement, a participant may elect to receive a distribution in (a) a lump-sum payment, (b) installment payments, or (c) partial withdrawals of at least \$1,000. If a terminated participant's account balance is between \$1,000 and \$5,000, and no instructions have been received from such participant, the amount will be rolled over to an individual retirement account as designated by the Plan administrator. Vested account balances of less than \$1,000 are automatically cashed out as a single lump-sum distribution. A participant may also elect to receive a pre-retirement distribution if the participant is 100% vested in the amount being distributed and has reached 59½ years of age. Benefit payments to the participant generally must begin by the later of the year after the participant attains age 70½ or the year in which the participant terminates employment.

Forfeited Accounts – A participant's non-vested account may be forfeited upon severance of employment. As of December 31, 2011 and 2010, forfeited non-vested accounts amounted to \$38,479 and \$5,787, respectively. Forfeitures may be used to restore non-vested accounts of employees who are rehired, to pay Plan fees, and/or to reduce Company contributions to the Plan. For the year ended December 31, 2011, forfeitures of \$41,172 were used to reduce employer contributions and forfeitures of \$8,309 were used to pay Plan fees.

Administrative Expenses – Administrative expenses may be paid by the Plan or by the Company. Fees associated with certain participant directed transactions, such as participant loan fees and distribution fees, are paid by the participant.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan's financial statements are prepared under the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invested in fully benefit-responsive investment contracts through a common collective trust at December 31, 2011, and through a guaranteed investment contract at December 31, 2010. The Statements of Net Assets Available for Benefits present the fair value of these investment contracts as well as the adjustment of the investments from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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

Payments of Benefits – Benefits are recorded when paid.

Recent 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 the Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosures and to require a number of additional disclosures. These requirements were effective for the year ended December 31, 2010; however, the requirement to present changes in Level 3 measurements on a gross basis is effective for the year ended December 31, 2011. 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.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) – In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (“GAAP”) and International Financial Reporting Standards (“IFRSs”)*. ASU 2011-04 amended ASC 820 to converge the fair value measurement guidance in U.S. GAAP and IFRSs. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle or requirement for measuring fair value. 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 the year ending December 31, 2012. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan’s financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

The FASB ASC *Fair Value Measurements and Disclosures* topic defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

Common Collective Trust Fund: Valued at the net asset value of units held by the Plan at year-end. The NAV is based on the fair value of the underlying investments held by the fund.

Pooled Separate Accounts: Valued based on quoted market prices that represent the net asset value of the underlying investments.

Guaranteed Investment Contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

	2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Aggressive Growth Funds	\$ 818,286	\$ -	\$ -	\$ 818,286
Bond Fund	409,551	-	-	409,551
Growth Funds	6,047,567	-	-	6,047,567
Growth & Income Funds	2,093,793	-	-	2,093,793
Income Funds	1,015,527	-	-	1,015,527
Target Market Funds	651,408	-	-	651,408
Total Mutual Funds	11,036,132	-	-	11,036,132
Common Collective Trust Fund	-	2,541,900	-	2,541,900
Total Investments	<u>\$ 11,036,132</u>	<u>\$ 2,541,900</u>	<u>\$ -</u>	<u>\$ 13,578,032</u>

	2010			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts:				
Aggressive Growth Funds	\$ -	\$ 648,859	\$ -	\$ 648,859
Bond Funds	-	412,894	-	412,894
Growth Funds	-	5,679,538	-	5,679,538
Growth & Income Funds	-	2,022,049	-	2,022,049
Income Funds	-	673,437	-	673,437
Total Pooled Separate Accounts	-	9,436,777	-	9,436,777
Guaranteed Investment Contract	-	-	2,290,393	2,290,393
Total Investments	<u>\$ -</u>	<u>\$ 9,436,777</u>	<u>\$ 2,290,393</u>	<u>\$ 11,727,170</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

	<u>Guaranteed Investment Contract</u>
Balance, Beginning of Year	\$ 2,290,393
Interest	12,879
Fund Transactions	
Purchases	103,739
Sales	<u>(2,407,011)</u>
Balance, End of Year	<u>\$ -</u>

NOTE 4 – INFORMATION CERTIFIED BY THE CURRENT TRUSTEE AND FORMER CUSTODIAN OF THE PLAN

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, except for the fair value of the Charles Schwab Stable Value Fund and the Stable Value Fund II, the Fidelity Management Trust Company ("Fidelity") and the Standard Insurance Company (the "Standard"), the current trustee and former custodian, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the accompanying statements of net assets available for benefits as of December 31, 2011 and 2010, the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011, and the related investment and notes receivable from participants activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2011. All investments are in participant-directed funds. Fidelity maintains the contributions in separate accounts, which are invested in various fund options as directed by each participant (see Note 1). The accounts are credited with actual earnings, contributions and unrealized appreciation or depreciation on the investments and charged for Plan withdrawals and miscellaneous expenses.

As discussed in Note 1, effective March 31, 2011, the Standard was replaced by Fidelity as the Plan's trustee. The Plan sponsor obtained certifications from Fidelity as of December 31, 2011 and for the period from April 1, 2011 through December 31, 2011 and from the Standard for the period from January 1, 2011 through March 31, 2011 and as of December 31, 2010.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 4 – INFORMATION CERTIFIED BY THE CURRENT TRUSTEE AND FORMER CUSTODIAN OF THE PLAN (Continued)

The following is a summary of the certified information prepared by the current trustee and former custodian, furnished to the plan administrator and included in the Plan's financial statements and supplemental schedules. Assets representing greater than 5% of net assets are individually identified.

	<u>2011</u>	<u>2010</u>
Mutual Funds:		
Davis New York Venture	\$ 1,079,517	\$ 1,086,066
Goldman Sachs Mid Cap Value Institutional	618,732 *	601,140
Harbor International Institutional	1,104,664	1,166,640
Munder Mid-Cap Core Growth	1,029,541	1,000,777
T. Rowe Price Growth Stock	1,514,095	1,391,131
Vanguard Mid Cap Index Fund	1,078,678	1,069,208
Vanguard Wellington Admiral	996,180	673,437
Schwab Stable Value Fund**	2,541,900	-
Stable Value Fund II ***	-	2,290,393
All Other Investments at Fair Value	<u>3,614,725</u>	<u>2,448,378</u>
Total Investments	<u>\$ 13,578,032</u>	<u>\$ 11,727,170</u>
Notes Receivable from Participants	<u>\$ 426,255</u>	<u>\$ 224,512</u>

* Asset is not greater than 5% of net assets but is included for comparative purposes.

** Contract value of \$2,524,360 at December 31, 2011 was certified by Fidelity.

*** Contract value of \$2,223,653 at December 31, 2010 was certified by the Standard.

The following is a summary of the Plan's net investment income and interest income on notes receivable from participants certified by the current trustee and former custodian for the year ended December 31, 2011:

Net Depreciation in Fair Value of Investments	<u>\$ (422,675)</u>
Interest and Dividend Income on Mutual Funds	\$ 164,733
Interest Income on Guaranteed Investment Contract	<u>12,879</u>
Total Investment Interest and Dividend Income	<u>\$ 177,612</u>
Interest Income on Notes Receivable from Participants	<u>\$ 9,263</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5 – COMMON COLLECTIVE TRUST FUND

As of December 31, 2011, the Plan invested in a common collective trust fund represented by the Charles Schwab Stable Value Fund (the “Fund”). This investment option was made available when Fidelity became the Plan’s trustee during 2011. On November 8, 2011, the trustee announced its plans to terminate the Fund effective as of the close of business on April 30, 2012. The Plan’s investment in the Fund was terminated in March 2012, and the Morley Stable Value Fund was offered to participants as a replacement fund.

Through the Fund, the Plan entered into guaranteed investment contracts. The guaranteed investment contracts consisted of investments in underlying securities with wrap contracts under which a third party guaranteed benefit-responsive withdrawals by plan participants at contract value. In a wrap contract, the underlying investments were owned by the Fund and held in trust for Plan participants. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The issuer was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan.

There were no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate was based on a formula established by the issuer. Such interest rates were reviewed typically on a monthly or quarterly basis for resetting.

Certain events could limit the ability of the Plan to transact at contract value with the issuers. Such events include termination of the contracts, plan termination, a material adverse change to the provisions of the Plan. Upon occurrences of any of these events, a market value adjustment could apply. The issuer could terminate the contracts upon short notice upon the Plan’s loss of its qualified status, un-cured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. Upon termination by the issuer, a market value adjustment could apply.

As described in Note 2, because the investment contracts were fully benefit-responsive, contract value was the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contracts. Contract value represented contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants could ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

During the year ended December 31, 2011, the average yield generated by the Fund was as follows:

Based on Actual Earnings	1.53%
Based on Interest Rate Credited to Participants	4.59%

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 6 – GUARANTEED INVESTMENT CONTRACT

As of December 31, 2010, the Plan invested in a fully benefit-responsive guaranteed investment contract (“GIC”) with the Standard as part of the Stable Value Fund II. This investment option was available when the Standard was the Plan’s custodian during 2010 and through March 31, 2011. The Standard maintained the contributions in a general account. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Standard was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan. There were no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula established by the issuer. Such interest rates are reviewed on a monthly basis for resetting.

Certain events may have limited the ability of the Plan to transact at contract value with the Standard. Such events include termination of the contract, spin-offs, divestitures, layoffs, corporate relocation, partial or total plan termination, retirement incentive programs, and the liberalization of plan withdrawal or transfer rules. Upon occurrences of any of these events, a market value adjustment may have applied.

In connection with the termination of the Plan’s investment in the Stable Value Fund II and the transfer of assets from the Standard to Fidelity, there was a market value adjustment of \$6,883. No withdrawal charges were associated with the termination of the contract.

As described in Note 2, because the GIC was fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the GIC. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

During the year ended December 31, 2010, the average yield generated by the GIC was as follows:

	<u>2010</u>
Based on Actual Earnings	2.44%
Based on Interest Rate Credited to Participants	2.37%

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 7 – TAX STATUS

Effective April 1, 2011, the Plan adopted the Fidelity prototype plan. Fidelity received a favorable opinion letter from the Internal Revenue Service (“IRS”) on March 31, 2008 stating that the prototype plan is designed in accordance with the applicable sections of the IRC. Previously, the Plan had adopted the Standard’s prototype plan. The Standard’s prototype plan also received a favorable opinion letter from the IRS on March 31, 2008 stating that the prototype plan and related trust were designed in accordance with the applicable sections of the IRC. The Plan has not filed for a separate determination letter; however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes is reflected in the Plan’s financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008. During 2012, the Plan was subject to examination by the IRS for Plan years ended December 31, 2010 and 2009. Although the IRS has not concluded its examination, the plan administrator expects that no issues will be identified as a result of the audit.

NOTE 8 – PLAN TERMINATION

The Company has established the Plan with the expressed intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Company requests the discontinuance of the trust agreement.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination from among the funds sponsored by the Fidelity. Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in investment value in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and in the Statement of Changes in Net Assets Available for Benefits.

The underlying securities of the Plan's investments could include securities with contractual cash flows, such as, but not limited to, asset backed securities, collateralized mortgage obligations, and commercial mortgage backed securities and real estate. The value, liquidity and related income of these securities may be particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by real or perceived difficulties of the issuers, changes in interest rates and conditions in financial markets.

NOTE 10 – EXCESS CONTRIBUTIONS PAYABLE

The Plan failed certain IRS non-discrimination tests for the years ended December 31, 2011 and 2010, and as a result, is required to refund excess contributions. Excess employee contributions amounting to \$522,200 and \$136,873 are recorded as a liability in the accompanying Statements of Net Assets Available for Benefits as a reduction of participant contributions in 2011 and 2010, respectively. The Plan refunded these excess contributions to affected participants in 2011 and 2012, respectively. Excess employer contributions amounting to \$118,190 for the year ended December 31, 2011, will be forfeited from affected participants in 2012.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 11 – DELINQUENT PARTICIPANT CONTRIBUTIONS

In 2011, there was an unintentional delay by the Company in remitting employee deferrals and loan payments in the amount of \$98,427 to the trustee. Also in 2011, it was discovered by the Company that certain employees in 2011 and 2012 were unintentionally excluded from participating in the Plan although the employees met the eligibility requirements to participate in the Plan. The Company is currently taking corrective action, setting up and funding employee and employer contributions and lost earnings thereon to the affected employees accounts. Approximately \$2,461 of employee contributions and \$4,922 of employer matching contributions are due to participant accounts for 2011 related to this exclusion of certain employees. These transactions constitute prohibited transactions as defined by ERISA. The Company reimbursed the participants affected by the late remittances in 2011 by contributing lost earnings to the Plan in 2011 and 2012.

NOTE 12 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity. Fidelity is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 13 – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 11, 2012, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

BARE ESSENTIALS 401(k) PLAN

SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 20-1062857

Plan Number: 002

Year Ended December 31, 2011

Year	Participant Contributions Transferred Late to Plan	Check Here if Late Participant Loan Repayments Are Included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2011	<u>\$ 100,888</u>	☒	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,461</u>	<u>\$ 98,427</u>

BARE ESSENTIALS 401(k) PLAN

SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 20-1062857

Plan Number: 002

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Mutual Funds:		
*	Fidelity Management Trust Company	Allianz NFJ Small Cap Value	19,735 Shares ^	\$ 575,864
*	Fidelity Management Trust Company	Allianz RCM Technology Institutional	6,480 Shares ^	286,039
*	Fidelity Management Trust Company	American Century Global Growth Investment	9,671 Shares ^	80,654
*	Fidelity Management Trust Company	Davis New York Venture	32,892 Shares ^	1,079,517
*	Fidelity Management Trust Company	Fidelity Freedom 2000 Fund	2,407 Shares ^	28,592
*	Fidelity Management Trust Company	Fidelity Freedom 2005 Fund	13 Shares ^	141
*	Fidelity Management Trust Company	Fidelity Freedom 2010 Fund	42 Shares ^	546
*	Fidelity Management Trust Company	Fidelity Freedom 2015 Fund	604 Shares ^	6,605
*	Fidelity Management Trust Company	Fidelity Freedom 2020 Fund	2,830 Shares ^	37,132
*	Fidelity Management Trust Company	Fidelity Freedom 2025 Fund	2,244 Shares ^	24,253
*	Fidelity Management Trust Company	Fidelity Freedom 2030 Fund	2,450 Shares ^	31,462
*	Fidelity Management Trust Company	Fidelity Freedom 2035 Fund	23,388 Shares ^	246,742
*	Fidelity Management Trust Company	Fidelity Freedom 2040 Fund	20,376 Shares ^	149,949
*	Fidelity Management Trust Company	Fidelity Freedom 2045 Fund	7,841 Shares ^	68,135
*	Fidelity Management Trust Company	Fidelity Freedom 2050 Fund	6,774 Shares ^	57,851
*	Fidelity Management Trust Company	Fidelity Freedom Income Fund	570 Shares ^	6,405
*	Fidelity Management Trust Company	Goldman Sachs Mid Cap Value Institutional	18,431 Shares ^	618,732
*	Fidelity Management Trust Company	Harbor Bond	33,597 Shares ^	409,551
*	Fidelity Management Trust Company	Harbor International Institutional	21,061 Shares ^	1,104,664
*	Fidelity Management Trust Company	Munder Mid-Cap Core Growth	36,470 Shares ^	1,029,541
*	Fidelity Management Trust Company	Nuveen Real Estate Securities Fund	5,917 Shares ^	112,237
*	Fidelity Management Trust Company	Nuveen Small Cap Select	5,889 Shares ^	81,030
*	Fidelity Management Trust Company	Royce Penn Mutual Investments	2,195 Shares ^	23,620
*	Fidelity Management Trust Company	Parnassus Equity Income	490 Shares ^	12,942
*	Fidelity Management Trust Company	T. Rowe Price Equity Income	2,484 Shares ^	57,287
*	Fidelity Management Trust Company	T. Rowe Price Growth Stock	47,568 Shares ^	1,514,095
*	Fidelity Management Trust Company	T. Rowe Price Health Sciences	6,712 Shares ^	218,802
*	Fidelity Management Trust Company	Van Kampen Growth & Income	32,247 Shares ^	598,823
*	Fidelity Management Trust Company	Vanguard 500 Index Sig	3,745 Shares ^	358,166
*	Fidelity Management Trust Company	Vanguard Long-Term Investment Growth	13,790 Shares ^	141,897
*	Fidelity Management Trust Company	Vanguard Mid Cap Index Fund	38,346 Shares ^	1,078,678
*	Fidelity Management Trust Company	Vanguard Wellington Admiral	18,403 Shares ^	996,180
				<hr/>
				11,036,132
	Charles Schwab Trust Company	Common Collective Trust Fund: Schwab Stable Value Fund	11,737 Shares ^	2,541,900
*	Notes Receivable from Participants	59 loans receivable bearing interest of 3.25% with maturity dates ranging from January 2012 to May 2021		<hr/>
				426,255
				<hr/>
				\$ 14,004,287

* Indicates party-in-interest transaction.

^ Column (d) Cost is omitted for participant directed investments.

BARE ESCENTUALS 401(k) PLAN

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES**

Year Ended December 31, 2011

BARE ESCENTUALS 401(k) PLAN

Year Ended December 31, 2011

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011	3
Notes to Financial Statements	4 - 17
Supplemental Schedules:	
Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2011	18
Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011	19



SHEA LABAGH DOBBERSTEIN

Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE PLAN ADMINISTRATOR AND PARTICIPANTS OF BARE ESCENTUALS 401(k) PLAN

We were engaged to audit the accompanying statements of net assets available for benefits of the BARE ESCENTUALS 401(k) PLAN (the "Plan") as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedules of Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2011 and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 4 which was certified by Fidelity Management Trust Company and Standard Insurance Company, the current trustee and former custodian of the Plan, respectively, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that Fidelity Management Trust Company holds the Plan's investment assets and executes investment transactions from April 1, 2011 to December 31, 2011 and that the Standard Insurance Company held the Plan's investment assets and executed investment transactions as of December 31, 2010 and for the period January 1, 2011 to March 31, 2011. The plan administrator has obtained certifications from the current trustee and the former custodian as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the current trustee and former custodian is complete and accurate.

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

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

October 11, 2012

BARE ESCENTUALS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>		
Mutual Funds	\$ 11,036,132	\$ -
Common Collective Trust Fund	2,541,900	-
Pooled Separate Accounts	-	9,436,777
Guaranteed Investment Contract	-	2,290,393
<u>TOTAL INVESTMENTS</u>	<u>13,578,032</u>	<u>11,727,170</u>
<u>RECEIVABLES</u>		
Notes Receivable from Participants	426,255	224,512
Participant Contributions	92,079	60,106
Employer Contributions	31,088	18,327
<u>TOTAL RECEIVABLES</u>	<u>549,422</u>	<u>302,945</u>
<u>TOTAL ASSETS</u>	<u>14,127,454</u>	<u>12,030,115</u>
<u>LIABILITIES</u>		
<u>LIABILITIES</u>		
Accrued Expenses	-	21,238
Excess Contributions Payable	522,200	136,873
<u>TOTAL LIABILITIES</u>	<u>522,200</u>	<u>158,111</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE</u>	13,605,254	11,872,004
<u>ADJUSTMENT FROM FAIR VALUE TO CONTRACT</u> <u>VALUE FOR INTEREST IN GUARANTEED INVESTMENT</u> <u>CONTRACT RELATING TO FULLY BENEFIT-RESPONSIVE</u> <u>INVESTMENT CONTRACT</u>	(17,540)	(66,740)
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 13,587,714</u>	<u>\$ 11,805,264</u>

BARE ESCENTUALS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2011

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

<u>INVESTMENT INTEREST AND DIVIDEND INCOME</u>	<u>\$ 177,612</u>
<u>INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS</u>	<u>9,263</u>
<u>CONTRIBUTIONS</u>	
Participants	1,959,016
Employer	651,681
Rollover	<u>659,823</u>
<u>TOTAL CONTRIBUTIONS</u>	<u>3,270,520</u>
<u>TOTAL ADDITIONS</u>	<u>3,457,395</u>

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

<u>NET DEPRECIATION IN FAIR VALUE OF INVESTMENTS</u>	422,675
<u>BENEFITS PAID TO PARTICIPANTS</u>	1,242,654
<u>ADMINISTRATIVE EXPENSES</u>	<u>9,616</u>
<u>TOTAL DEDUCTIONS</u>	<u>1,674,945</u>
<u>NET INCREASE IN NET ASSETS</u>	1,782,450
<u>NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR</u>	<u>11,805,264</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR</u>	<u>\$ 13,587,714</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the BARE ESCENTUALS 401(k) PLAN (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General – The Plan was established on January 1, 2006 to provide retirement benefits for employees of STB Beauty, Inc. dba Bare Escentuals (the “Company”). The Plan is a defined contribution plan covering all eligible employees who have attained twenty one years of age and are not non-resident aliens or members of a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan’s operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and government regulations, and providing participants with any reports and documents required by law.

Effective April 1, 2011, the Standard Insurance Company, the former custodian, was replaced by Fidelity Management Trust Company as the Plan’s trustee.

Participant Contributions – Participants may voluntarily contribute up to 100% of their annual compensation, with maximum contributions of \$16,500 for 2011. Additionally, participants, who have attained fifty years of age before the end of the Plan year, are eligible to make catch up contributions up to \$5,500. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

Employer Contributions – The Company may make discretionary matching contributions. For the year ended December 31, 2011, the Company made matching contributions equal to 100% of each participant’s pretax contribution, up to a maximum of 2% of each participant’s pretax compensation per payroll period. The Secretary of the Treasury limits the amount of compensation that may be taken into account each Plan year.

Participant Accounts – The Plan maintains an account for each participant, which is credited with the participant’s contributions and allocations of the Company’s contributions and Plan investment earnings or losses. Allocations are based on participant compensation or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant’s vested account.

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Vesting – Participants are immediately vested in their voluntary contributions and rollover contributions plus actual earnings thereon. For participants terminated prior to January 1, 2008, vesting in the Company's discretionary matching contributions and earnings thereon is based on the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

For participants terminated on or after January 1, 2008, vesting in the Company's discretionary matching contributions and earnings thereon is based on the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	33%
2	67%
3 or more	100%

Investment Options – Upon enrollment in the Plan, a participant may direct the investment of his or her account balance into various funds available through the Plan.

Notes Receivable from Participants – Participants may borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000. The duration of the loan is not to exceed five years, except for loans used to finance the purchase of a primary residence. Interest rates are based on the prime rate as listed in the Wall Street Journal Money Rate Table and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. The interest rate on loans outstanding at December 31, 2011 is 3.25% and the loan maturity dates range from January 2012 to May 2021.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits – Upon termination of service, death, disability or retirement, a participant may elect to receive a distribution in (a) a lump-sum payment, (b) installment payments, or (c) partial withdrawals of at least \$1,000. If a terminated participant's account balance is between \$1,000 and \$5,000, and no instructions have been received from such participant, the amount will be rolled over to an individual retirement account as designated by the Plan administrator. Vested account balances of less than \$1,000 are automatically cashed out as a single lump-sum distribution. A participant may also elect to receive a pre-retirement distribution if the participant is 100% vested in the amount being distributed and has reached 59½ years of age. Benefit payments to the participant generally must begin by the later of the year after the participant attains age 70½ or the year in which the participant terminates employment.

Forfeited Accounts – A participant's non-vested account may be forfeited upon severance of employment. As of December 31, 2011 and 2010, forfeited non-vested accounts amounted to \$38,479 and \$5,787, respectively. Forfeitures may be used to restore non-vested accounts of employees who are rehired, to pay Plan fees, and/or to reduce Company contributions to the Plan. For the year ended December 31, 2011, forfeitures of \$41,172 were used to reduce employer contributions and forfeitures of \$8,309 were used to pay Plan fees.

Administrative Expenses – Administrative expenses may be paid by the Plan or by the Company. Fees associated with certain participant directed transactions, such as participant loan fees and distribution fees, are paid by the participant.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan's financial statements are prepared under the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invested in fully benefit-responsive investment contracts through a common collective trust at December 31, 2011, and through a guaranteed investment contract at December 31, 2010. The Statements of Net Assets Available for Benefits present the fair value of these investment contracts as well as the adjustment of the investments from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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

Payments of Benefits – Benefits are recorded when paid.

Recent 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 the Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosures and to require a number of additional disclosures. These requirements were effective for the year ended December 31, 2010; however, the requirement to present changes in Level 3 measurements on a gross basis is effective for the year ended December 31, 2011. 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.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) – In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (“GAAP”) and International Financial Reporting Standards (“IFRSs”)*. ASU 2011-04 amended ASC 820 to converge the fair value measurement guidance in U.S. GAAP and IFRSs. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle or requirement for measuring fair value. 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 the year ending December 31, 2012. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan’s financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

The FASB ASC *Fair Value Measurements and Disclosures* topic defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

BARE ESSENTIALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

Common Collective Trust Fund: Valued at the net asset value of units held by the Plan at year-end. The NAV is based on the fair value of the underlying investments held by the fund.

Pooled Separate Accounts: Valued based on quoted market prices that represent the net asset value of the underlying investments.

Guaranteed Investment Contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

	2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Aggressive Growth Funds	\$ 818,286	\$ -	\$ -	\$ 818,286
Bond Fund	409,551	-	-	409,551
Growth Funds	6,047,567	-	-	6,047,567
Growth & Income Funds	2,093,793	-	-	2,093,793
Income Funds	1,015,527	-	-	1,015,527
Target Market Funds	651,408	-	-	651,408
Total Mutual Funds	11,036,132	-	-	11,036,132
Common Collective Trust Fund	-	2,541,900	-	2,541,900
Total Investments	<u>\$ 11,036,132</u>	<u>\$ 2,541,900</u>	<u>\$ -</u>	<u>\$ 13,578,032</u>

	2010			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts:				
Aggressive Growth Funds	\$ -	\$ 648,859	\$ -	\$ 648,859
Bond Funds	-	412,894	-	412,894
Growth Funds	-	5,679,538	-	5,679,538
Growth & Income Funds	-	2,022,049	-	2,022,049
Income Funds	-	673,437	-	673,437
Total Pooled Separate Accounts	-	9,436,777	-	9,436,777
Guaranteed Investment Contract	-	-	2,290,393	2,290,393
Total Investments	<u>\$ -</u>	<u>\$ 9,436,777</u>	<u>\$ 2,290,393</u>	<u>\$ 11,727,170</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

	<u>Guaranteed Investment Contract</u>
Balance, Beginning of Year	\$ 2,290,393
Interest	12,879
Fund Transactions	
Purchases	103,739
Sales	<u>(2,407,011)</u>
Balance, End of Year	<u>\$ -</u>

NOTE 4 – INFORMATION CERTIFIED BY THE CURRENT TRUSTEE AND FORMER CUSTODIAN OF THE PLAN

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, except for the fair value of the Charles Schwab Stable Value Fund and the Stable Value Fund II, the Fidelity Management Trust Company ("Fidelity") and the Standard Insurance Company (the "Standard"), the current trustee and former custodian, have certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the accompanying statements of net assets available for benefits as of December 31, 2011 and 2010, the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2011, and the related investment and notes receivable from participants activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2011. All investments are in participant-directed funds. Fidelity maintains the contributions in separate accounts, which are invested in various fund options as directed by each participant (see Note 1). The accounts are credited with actual earnings, contributions and unrealized appreciation or depreciation on the investments and charged for Plan withdrawals and miscellaneous expenses.

As discussed in Note 1, effective March 31, 2011, the Standard was replaced by Fidelity as the Plan's trustee. The Plan sponsor obtained certifications from Fidelity as of December 31, 2011 and for the period from April 1, 2011 through December 31, 2011 and from the Standard for the period from January 1, 2011 through March 31, 2011 and as of December 31, 2010.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 4 – INFORMATION CERTIFIED BY THE CURRENT TRUSTEE AND FORMER CUSTODIAN OF THE PLAN (Continued)

The following is a summary of the certified information prepared by the current trustee and former custodian, furnished to the plan administrator and included in the Plan's financial statements and supplemental schedules. Assets representing greater than 5% of net assets are individually identified.

	<u>2011</u>	<u>2010</u>
Mutual Funds:		
Davis New York Venture	\$ 1,079,517	\$ 1,086,066
Goldman Sachs Mid Cap Value Institutional	618,732 *	601,140
Harbor International Institutional	1,104,664	1,166,640
Munder Mid-Cap Core Growth	1,029,541	1,000,777
T. Rowe Price Growth Stock	1,514,095	1,391,131
Vanguard Mid Cap Index Fund	1,078,678	1,069,208
Vanguard Wellington Admiral	996,180	673,437
Schwab Stable Value Fund**	2,541,900	-
Stable Value Fund II ***	-	2,290,393
All Other Investments at Fair Value	3,614,725	2,448,378
Total Investments	<u>\$ 13,578,032</u>	<u>\$ 11,727,170</u>
Notes Receivable from Participants	<u>\$ 426,255</u>	<u>\$ 224,512</u>

* Asset is not greater than 5% of net assets but is included for comparative purposes.

** Contract value of \$2,524,360 at December 31, 2011 was certified by Fidelity.

*** Contract value of \$2,223,653 at December 31, 2010 was certified by the Standard.

The following is a summary of the Plan's net investment income and interest income on notes receivable from participants certified by the current trustee and former custodian for the year ended December 31, 2011:

Net Depreciation in Fair Value of Investments	<u>\$ (422,675)</u>
Interest and Dividend Income on Mutual Funds	\$ 164,733
Interest Income on Guaranteed Investment Contract	<u>12,879</u>
Total Investment Interest and Dividend Income	<u>\$ 177,612</u>
Interest Income on Notes Receivable from Participants	<u>\$ 9,263</u>

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5 – COMMON COLLECTIVE TRUST FUND

As of December 31, 2011, the Plan invested in a common collective trust fund represented by the Charles Schwab Stable Value Fund (the “Fund”). This investment option was made available when Fidelity became the Plan’s trustee during 2011. On November 8, 2011, the trustee announced its plans to terminate the Fund effective as of the close of business on April 30, 2012. The Plan’s investment in the Fund was terminated in March 2012, and the Morley Stable Value Fund was offered to participants as a replacement fund.

Through the Fund, the Plan entered into guaranteed investment contracts. The guaranteed investment contracts consisted of investments in underlying securities with wrap contracts under which a third party guaranteed benefit-responsive withdrawals by plan participants at contract value. In a wrap contract, the underlying investments were owned by the Fund and held in trust for Plan participants. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The issuer was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan.

There were no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate was based on a formula established by the issuer. Such interest rates were reviewed typically on a monthly or quarterly basis for resetting.

Certain events could limit the ability of the Plan to transact at contract value with the issuers. Such events include termination of the contracts, plan termination, a material adverse change to the provisions of the Plan. Upon occurrences of any of these events, a market value adjustment could apply. The issuer could terminate the contracts upon short notice upon the Plan’s loss of its qualified status, un-cured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. Upon termination by the issuer, a market value adjustment could apply.

As described in Note 2, because the investment contracts were fully benefit-responsive, contract value was the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contracts. Contract value represented contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants could ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

During the year ended December 31, 2011, the average yield generated by the Fund was as follows:

Based on Actual Earnings	1.53%
Based on Interest Rate Credited to Participants	4.59%

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 6 – GUARANTEED INVESTMENT CONTRACT

As of December 31, 2010, the Plan invested in a fully benefit-responsive guaranteed investment contract (“GIC”) with the Standard as part of the Stable Value Fund II. This investment option was available when the Standard was the Plan’s custodian during 2010 and through March 31, 2011. The Standard maintained the contributions in a general account. The account was credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Standard was contractually obligated to repay the principal and a specified interest rate that was guaranteed to the Plan. There were no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula established by the issuer. Such interest rates are reviewed on a monthly basis for resetting.

Certain events may have limited the ability of the Plan to transact at contract value with the Standard. Such events include termination of the contract, spin-offs, divestitures, layoffs, corporate relocation, partial or total plan termination, retirement incentive programs, and the liberalization of plan withdrawal or transfer rules. Upon occurrences of any of these events, a market value adjustment may have applied.

In connection with the termination of the Plan’s investment in the Stable Value Fund II and the transfer of assets from the Standard to Fidelity, there was a market value adjustment of \$6,883. No withdrawal charges were associated with the termination of the contract.

As described in Note 2, because the GIC was fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the GIC. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

During the year ended December 31, 2010, the average yield generated by the GIC was as follows:

	<u>2010</u>
Based on Actual Earnings	2.44%
Based on Interest Rate Credited to Participants	2.37%

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 7 – TAX STATUS

Effective April 1, 2011, the Plan adopted the Fidelity prototype plan. Fidelity received a favorable opinion letter from the Internal Revenue Service (“IRS”) on March 31, 2008 stating that the prototype plan is designed in accordance with the applicable sections of the IRC. Previously, the Plan had adopted the Standard’s prototype plan. The Standard’s prototype plan also received a favorable opinion letter from the IRS on March 31, 2008 stating that the prototype plan and related trust were designed in accordance with the applicable sections of the IRC. The Plan has not filed for a separate determination letter; however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes is reflected in the Plan’s financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008. During 2012, the Plan was subject to examination by the IRS for Plan years ended December 31, 2010 and 2009. Although the IRS has not concluded its examination, the plan administrator expects that no issues will be identified as a result of the audit.

NOTE 8 – PLAN TERMINATION

The Company has established the Plan with the expressed intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Company requests the discontinuance of the trust agreement.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination from among the funds sponsored by the Fidelity. Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in investment value in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and in the Statement of Changes in Net Assets Available for Benefits.

The underlying securities of the Plan's investments could include securities with contractual cash flows, such as, but not limited to, asset backed securities, collateralized mortgage obligations, and commercial mortgage backed securities and real estate. The value, liquidity and related income of these securities may be particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by real or perceived difficulties of the issuers, changes in interest rates and conditions in financial markets.

NOTE 10 – EXCESS CONTRIBUTIONS PAYABLE

The Plan failed certain IRS non-discrimination tests for the years ended December 31, 2011 and 2010, and as a result, is required to refund excess contributions. Excess employee contributions amounting to \$522,200 and \$136,873 are recorded as a liability in the accompanying Statements of Net Assets Available for Benefits as a reduction of participant contributions in 2011 and 2010, respectively. The Plan refunded these excess contributions to affected participants in 2011 and 2012, respectively. Excess employer contributions amounting to \$118,190 for the year ended December 31, 2011, will be forfeited from affected participants in 2012.

BARE ESCENTUALS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 11 – DELINQUENT PARTICIPANT CONTRIBUTIONS

In 2011, there was an unintentional delay by the Company in remitting employee deferrals and loan payments in the amount of \$98,427 to the trustee. Also in 2011, it was discovered by the Company that certain employees in 2011 and 2012 were unintentionally excluded from participating in the Plan although the employees met the eligibility requirements to participate in the Plan. The Company is currently taking corrective action, setting up and funding employee and employer contributions and lost earnings thereon to the affected employees accounts. Approximately \$2,461 of employee contributions and \$4,922 of employer matching contributions are due to participant accounts for 2011 related to this exclusion of certain employees. These transactions constitute prohibited transactions as defined by ERISA. The Company reimbursed the participants affected by the late remittances in 2011 by contributing lost earnings to the Plan in 2011 and 2012.

NOTE 12 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity. Fidelity is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 13 – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 11, 2012, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

BARE ESSENTIALS 401(k) PLAN

SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 20-1062857

Plan Number: 002

Year Ended December 31, 2011

Year	Participant Contributions Transferred Late to Plan	Check Here if Late Participant Loan Repayments Are Included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2011	<u>\$ 100,888</u>	☒	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,461</u>	<u>\$ 98,427</u>

BARE ESSENTIALS 401(k) PLAN

SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 20-1062857

Plan Number: 002

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Mutual Funds:		
*	Fidelity Management Trust Company	Allianz NFJ Small Cap Value	19,735 Shares ^	\$ 575,864
*	Fidelity Management Trust Company	Allianz RCM Technology Institutional	6,480 Shares ^	286,039
*	Fidelity Management Trust Company	American Century Global Growth Investment	9,671 Shares ^	80,654
*	Fidelity Management Trust Company	Davis New York Venture	32,892 Shares ^	1,079,517
*	Fidelity Management Trust Company	Fidelity Freedom 2000 Fund	2,407 Shares ^	28,592
*	Fidelity Management Trust Company	Fidelity Freedom 2005 Fund	13 Shares ^	141
*	Fidelity Management Trust Company	Fidelity Freedom 2010 Fund	42 Shares ^	546
*	Fidelity Management Trust Company	Fidelity Freedom 2015 Fund	604 Shares ^	6,605
*	Fidelity Management Trust Company	Fidelity Freedom 2020 Fund	2,830 Shares ^	37,132
*	Fidelity Management Trust Company	Fidelity Freedom 2025 Fund	2,244 Shares ^	24,253
*	Fidelity Management Trust Company	Fidelity Freedom 2030 Fund	2,450 Shares ^	31,462
*	Fidelity Management Trust Company	Fidelity Freedom 2035 Fund	23,388 Shares ^	246,742
*	Fidelity Management Trust Company	Fidelity Freedom 2040 Fund	20,376 Shares ^	149,949
*	Fidelity Management Trust Company	Fidelity Freedom 2045 Fund	7,841 Shares ^	68,135
*	Fidelity Management Trust Company	Fidelity Freedom 2050 Fund	6,774 Shares ^	57,851
*	Fidelity Management Trust Company	Fidelity Freedom Income Fund	570 Shares ^	6,405
*	Fidelity Management Trust Company	Goldman Sachs Mid Cap Value Institutional	18,431 Shares ^	618,732
*	Fidelity Management Trust Company	Harbor Bond	33,597 Shares ^	409,551
*	Fidelity Management Trust Company	Harbor International Institutional	21,061 Shares ^	1,104,664
*	Fidelity Management Trust Company	Munder Mid-Cap Core Growth	36,470 Shares ^	1,029,541
*	Fidelity Management Trust Company	Nuveen Real Estate Securities Fund	5,917 Shares ^	112,237
*	Fidelity Management Trust Company	Nuveen Small Cap Select	5,889 Shares ^	81,030
*	Fidelity Management Trust Company	Royce Penn Mutual Investments	2,195 Shares ^	23,620
*	Fidelity Management Trust Company	Parnassus Equity Income	490 Shares ^	12,942
*	Fidelity Management Trust Company	T. Rowe Price Equity Income	2,484 Shares ^	57,287
*	Fidelity Management Trust Company	T. Rowe Price Growth Stock	47,568 Shares ^	1,514,095
*	Fidelity Management Trust Company	T. Rowe Price Health Sciences	6,712 Shares ^	218,802
*	Fidelity Management Trust Company	Van Kampen Growth & Income	32,247 Shares ^	598,823
*	Fidelity Management Trust Company	Vanguard 500 Index Sig	3,745 Shares ^	358,166
*	Fidelity Management Trust Company	Vanguard Long-Term Investment Growth	13,790 Shares ^	141,897
*	Fidelity Management Trust Company	Vanguard Mid Cap Index Fund	38,346 Shares ^	1,078,678
*	Fidelity Management Trust Company	Vanguard Wellington Admiral	18,403 Shares ^	996,180
				<hr/> 11,036,132
	Charles Schwab Trust Company	Common Collective Trust Fund: Schwab Stable Value Fund	11,737 Shares ^	2,541,900
*	Notes Receivable from Participants	59 loans receivable bearing interest of 3.25% with maturity dates ranging from January 2012 to May 2021		<hr/> 426,255
				<hr/> \$ 14,004,287 <hr/>

* Indicates party-in-interest transaction.

^ Column (d) Cost is omitted for participant directed investments.