

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>			
A	This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan	
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	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)	

Part II Basic Plan Information —enter all requested information			
1a	Name of plan <u>PROGRESSIVE COMMUNICATIONS CORPORATION EMPLOYEES' RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>09/01/1962</u>
2a	Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PROGRESSIVE COMMUNICATIONS CORPORATION</u> <u>18 EAST VINE STREET</u> <u>MT. VERNON, OH 43050</u>	2b	Employer Identification Number (EIN) <u>31-4290300</u>
		2c	Sponsor's telephone number <u>740-397-5333</u>
		2d	Business code (see instructions) <u>511110</u>
3a	Plan administrator's name and address (if same as plan sponsor, enter "Same") <u>PROGRESSIVE COMMUNICATIONS CORPORATION</u> <u>18 EAST VINE STREET</u> <u>MT. VERNON, OH 43050</u>	3b	Administrator's EIN <u>31-4290300</u>
		3c	Administrator's telephone number <u>740-397-5333</u>
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.	4b	EIN
a	Sponsor's name	4c	PN
5a	Total number of participants at the beginning of the plan year	5a	<u>102</u>
b	Total number of participants at the end of the plan year.....	5b	<u>104</u>
c	Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....	5c	
6a	Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No		
b	Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... ☒ Yes ☐ No		
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.			

Part III Financial Information				
7	Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a	Total plan assets	7a	<u>1809887</u>	<u>1839653</u>
b	Total plan liabilities	7b	<u>0</u>	<u>0</u>
c	Net plan assets (subtract line 7b from line 7a).....	7c	<u>1809887</u>	<u>1839653</u>
8	Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a	Contributions received or receivable from:			
	(1) Employers	8a(1)	<u>223613</u>	
	(2) Participants	8a(2)	<u>0</u>	
	(3) Others (including rollovers).....	8a(3)	<u>0</u>	
b	Other income (loss)	8b	<u>-99598</u>	
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		<u>124015</u>
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	<u>81624</u>	
e	Certain deemed and/or corrective distributions (see instructions)....	8e	<u>0</u>	
f	Administrative service providers (salaries, fees, commissions)	8f	<u>12625</u>	
g	Other expenses.....	8g	<u>0</u>	
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		<u>94249</u>
i	Net income (loss) (subtract line 8h from line 8c).....	8i		<u>29766</u>
j	Transfers to (from) the plan (see instructions)	8j	<u>0</u>	

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G

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

	Yes	No	Amount
10 During the plan year:			
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c Was the plan covered by a fidelity bond?	X		50000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f Has the plan failed to provide any benefit when due under the plan?		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)). ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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	KAY CULBERTSON
	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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

A Name of plan <u>PROGRESSIVE COMMUNICATIONS CORPORATION EMPLOYEES' RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PROGRESSIVE COMMUNICATIONS CORPORATION</u>	D Employer Identification Number (EIN) <u>31-4290300</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>1879361</u>
b Actuarial value	2b <u>1814919</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment	3a (1) Number of participants <u>20</u> (2) Funding Target <u>663880</u>
b For terminated vested participants	3b <u>45</u> <u>376295</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>40131</u>
(2) Vested benefits	3c(2) <u>1223413</u>
(3) Total active	3c(3) <u>37</u> <u>1263544</u>
d Total	3d <u>102</u> <u>2303719</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.29 %</u>
6 Target normal cost	6 <u>41956</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>10/11/2012</u>
Signature of actuary	Date
<u>MATTHEW C. KAISER</u>	<u>11-05784</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>216-937-4000</u>
Firm name	Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>9.08</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		13
b	Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		1
c	Total available at beginning of current plan year to add to prefunding balance.....		14
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	78.78 %
15	Adjusted funding target attainment percentage.....	15	78.78 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	81.90 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2011	30101				
07/15/2011	30101				
10/15/2011	30101				
01/13/2012	30101				
09/14/2012	31319				
			Totals ▶	18(b)	151723
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 143892
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	41956	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	488800	101911	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	143867	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	143867	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	143892	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	25	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2011

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2011	161,276	7	161,276	26,535
2	Shortfall	01/01/2010	218,574	6	198,090	36,784
3	Shortfall	01/01/2009	(109,192)	5	(90,075)	(19,376)
4	Shortfall	01/01/2008	346,581	4	219,509	57,968
Total					488,800	101,911

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
 EIN / PN: 31-4290300 / 001
 Plan Sponsor: Progressive Communications Corporation
 Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Progressive Communications Corporation
EIN/PN	31-4290300/001
Plan Name	Progressive Communications Corporation Employees' Retirement Plan
Valuation Date	January 1, 2011
Enrolled Actuary	Matthew C. Kaiser
Enrollment Number	011-05784

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Progressive Communications Corporation Employees' Retirement Plan
EIN / PN:	31-4290300 / 001
Plan Sponsor:	Progressive Communications Corporation
Valuation Date:	January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2011

Each participant is assumed to retire at a single retirement age which is entered on Line 22.

Plan Name:	Progressive Communications Corporation Employees' Retirement Plan
EIN / PN:	31-4290300 / 001
Plan Sponsor:	Progressive Communications Corporation
Valuation Date:	January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions

Effective Date and Most Recent Amendment

September 1, 1962 (as restated January 1, 1997) and most recently amended effective January 1, 2008 for the Pension Protection Act of 2006.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Employees regularly scheduled to work at least 1,000 hours per year; attainment of age 21 with one year of eligibility service is required for participation.

Normal Retirement Benefit

An employee may retire at any time after age 65 and completing 5 years of participation.

The monthly pension, commencing at retirement, is equal to the greater of:

\$5.00 times years of service, up to a maximum of 30 years, or

0.85% of final average monthly compensation up to Social Security Covered Compensation, plus 1.50% of final average monthly compensation in excess of Social Security Covered Compensation, the sum times years of service to a maximum of 30 years.

Final average monthly compensation includes bonuses, commissions, and overtime and is measured over the highest consecutive 60 calendar months out of the most recent 120 months preceding retirement. Effective January 1, 2002, pensionable earnings are limited to \$200,000 (indexed).

Early Retirement

After age 55 and at least 5 years of service, an employee may retire early and receive either his accrued normal retirement benefit commencing at age 65 or the accrued benefit reduced per Plan factors commencing at early retirement.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Disability Retirement

In the event of total and permanent disability after at least 15 years of service, an employee may retire and receive his accrued normal retirement benefit without reduction commencing at establishment of disability.

Vested Benefits Upon Termination of Service

Upon termination after 5 years of service, an employee is entitled to his accrued normal retirement benefit commencing at age 65 (or at any time after age 55 on a reduced basis).

Pre-Retirement Spouse's Benefit

Upon the employee's death after completion of 5 years of service, the surviving spouse will receive the benefit that would have been payable if the employee had retired on the day prior to death and had elected a 50% Joint and Survivor option. Benefit payments to the spouse will commence at the later of the employee's date of death or the date that the employee would have been age 55.

Optional Forms of Retirement Income in Lieu of Normal Form

Benefit payments may be made in the form of a 100% Joint and Survivor option, 50% Joint and Survivor option, or on a straight-life basis. Unless otherwise elected, any benefit payable under the Plan shall be paid: on a 50% Joint and Survivor basis, if the employee has been married to his current spouse for at least one year, or on a straight-life basis, otherwise with the proviso that any benefits paid will be the actuarial equivalent of a benefit payable on a straight-life basis.

Pension Increases

Not Applicable.

Plan Participants' Contributions

None.

Changes in Plan Provisions since Last Actuarial Valuation

There have been no changes to plan provisions since prior valuation.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 23 Statement of Actuarial Assumptions and Methods

Discount Rates

Current plan year PPA effective interest rate: 6.29%

Prior plan year PPA effective interest rate: 6.69%

3-Segment Rates

Applicable month: September

Assumed Cost of Living Adjustments

None.

Inclusion Date

Employees who are under age 21 or who had less than one year of service on an elapsed time basis were excluded from the valuation results.

Plan-related Expenses

The amount included this year for plan-related expenses is \$13,601.

Mortality

For healthy participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants. For disabled participants: mortality in accordance with Revenue Ruling 96-7.

Retirement

It is assumed that participants will retire upon becoming eligible for normal retirement.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Disability rates (per 100 employees)

Percentage becoming disabled during the year		
Age	Males	Females
25	0.09	0.10
35	0.20	0.25
45	0.51	0.52
55	1.50	1.49

Compensation increases

For purposes of determining the additional funding target for maximum deductible contribution purposes, compensation is assumed to increase as shown below.

<u>Age Group</u>	<u>Increase Per Year</u>
24 & Under	6.50%
25 – 29	6.00%
30 – 34	5.50%
35 – 39	5.00%
40 – 44	4.50%
45 – 49	4.00%
50 – 54	4.00%
55 – 59	3.50%
60 & Over	3.00%

Future Increases in Social Security

For purposes of determining target normal cost and the additional Funding Target for maximum deductible contribution purposes, the National Average Wage Index is assumed to increase by 3.50% per annum.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Representative termination rates (per 100 employees)

The Crocker, Sarason and Straight "T-7" rates were used. The following are illustrative.

Attained Age	Males	Females
20	9.94	9.94
25	9.68	9.68
30	9.31	9.31
40	7.77	7.77
50	4.25	4.25
55	1.57	1.57

Form of payment

Participants are assumed to elect the normal form.

Marriage

85% of male employees and 50% of female employees are assumed to be married. Wives are assumed to be three years younger than their husbands.

Employees

It was assumed that there will be no new or rehired employees.

Plan compensation

Compensation assumed paid in the current year beginning on the valuation date is the pension earnings for the prior year increased at the appropriate assumed growth rate.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.29%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.29%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.69%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.43%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant Data

All participant data were supplied on an excel spreadsheet by electronic mail as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

Benefits not Included in Valuation

None.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
EIN / PN: 31-4290300 / 001
Plan Sponsor: Progressive Communications Corporation
Valuation Date: January 1, 2011

SCHEDULE SB ATTACHMENTS

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
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Schedule SB, Line 23 Statement of Actuarial Assumptions and Methods

Discount Rates

Current plan year PPA effective interest rate: 6.29%

Prior plan year PPA effective interest rate: 6.69%

3-Segment Rates

Applicable month: September

Assumed Cost of Living Adjustments

None.

Inclusion Date

Employees who are under age 21 or who had less than one year of service on an elapsed time basis were excluded from the valuation results.

Plan-related Expenses

The amount included this year for plan-related expenses is \$13,601.

Mortality

For healthy participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants. For disabled participants: mortality in accordance with Revenue Ruling 96-7.

Retirement

It is assumed that participants will retire upon becoming eligible for normal retirement.

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Disability rates (per 100 employees)

Percentage becoming disabled during the year		
Age	Males	Females
25	0.09	0.10
35	0.20	0.25
45	0.51	0.52
55	1.50	1.49

Compensation increases

For purposes of determining the additional funding target for maximum deductible contribution purposes, compensation is assumed to increase as shown below.

<u>Age Group</u>	<u>Increase Per Year</u>
24 & Under	6.50%
25 – 29	6.00%
30 – 34	5.50%
35 – 39	5.00%
40 – 44	4.50%
45 – 49	4.00%
50 – 54	4.00%
55 – 59	3.50%
60 & Over	3.00%

Future Increases in Social Security

For purposes of determining target normal cost and the additional Funding Target for maximum deductible contribution purposes, the National Average Wage Index is assumed to increase by 3.50% per annum.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

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Representative termination rates (per 100 employees)

The Crocker, Sarason and Straight "T-7" rates were used. The following are illustrative.

Attained Age	Males	Females
20	9.94	9.94
25	9.68	9.68
30	9.31	9.31
40	7.77	7.77
50	4.25	4.25
55	1.57	1.57

Form of payment

Participants are assumed to elect the normal form.

Marriage

85% of male employees and 50% of female employees are assumed to be married. Wives are assumed to be three years younger than their husbands.

Employees

It was assumed that there will be no new or rehired employees.

Plan compensation

Compensation assumed paid in the current year beginning on the valuation date is the pension earnings for the prior year increased at the appropriate assumed growth rate.

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Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.29%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.29%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.69%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.43%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant Data

All participant data were supplied on an excel spreadsheet by electronic mail as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

Benefits not Included in Valuation

None.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
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Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
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SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2011

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		3		1		1		0		0		0		0		0		0	
30 - 34	0		0		2		0		0		0		0		0		0		0	
35 - 39	0		0		1		1		1		0		0		0		0		0	
40 - 44	0		1		2		1		1		0		0		0		0		0	
45 - 49	0		1		1		1		0		0		0		0		0		0	
50 - 54	0		1		2		1		0		0		2		0		1		0	
55 - 59	0		0		2		0		1		1		1		1		0		0	
60 - 64	0		0		1		1		0		1		1		1		1		0	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: Progressive Communications Corporation Employees' Retirement Plan
 EIN / PN: 31-4290300 / 001
 Plan Sponsor: Progressive Communications Corporation
 Valuation Date: January 1, 2011

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

A Name of plan Progressive Communications Corporation Employees' Retirement Plan	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Progressive Communications Corporation	D Employer Identification Number (EIN) 31-4290300
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		1,879,361
b Actuarial value	2b		1,814,919
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	20	663,880
b For terminated vested participants	3b	45	376,295
c For active participants:			
(1) Non-vested benefits	3c(1)		40,131
(2) Vested benefits	3c(2)		1,223,413
(3) Total active	3c(3)	37	1,263,544
d Total	3d	102	2,303,719
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.29 %
6 Target normal cost	6		41,956

Statement by Enrolled Actuary

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

SIGN HERE	Matthew C. Kaiser\ <i>MCK</i> Signature of actuary	October 11, 2012 Date
	Matthew C. Kaiser Type or print name of actuary	11-05784 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	(216) 937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1900 Cleveland, OH 44114 Address of the firm	

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. **Schedule SB (Form 5500) 2011 v.012611**

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>9.08</u> %.....		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		13
b Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions).....		1
c Total available at beginning of current plan year to add to prefunding balance.....		14
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	78.78 %
15 Adjusted funding target attainment percentage	15	78.78 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	81.90 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2015	30,101				
07/15/2011	30,101				
10/15/2012	30,101				
01/13/2102	30,101				
09/14/2012	31,319				
Totals •			18(b)	151,723	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	143,892

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		4
22 Weighted average retirement age	22		65
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	41,956	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	488,800	101,911	
b Waiver amortization installment.....			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	143,867	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	143,867	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	143,892	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	25	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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