Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2009

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

ENCOMPASS GROUP AFFILIATES, INC.

775 TIPTON INDUSTRIAL DR STE D
LAWRENCEVILLE, GA 30046-2886

2b Employer Identification Number (EIN) 45-0677799

2c Sponsor's telephone number 646-227-1830

2d Business code (see instructions) 541519

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	KAREN BISGROVE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	KAREN BISGROVE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
ENCOMPASS GROUP AFFILIATES, INC.

775 TIPTON INDUSTRIAL DR STE D
LAWRENCEVILLE, GA 30046-2886

3b Administrator's EIN
45-0677799

3c Administrator's telephone number
646-227-1830

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
ENCOMPASS GRP AFFILIATES

4b EIN
65-0738251

4c PN
001

5	Total number of participants at the beginning of the plan year	**5**	272
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**	206
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	13
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	219
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	220
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	175
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	6
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ENCOMPASS GROUP AFFILIATES, INC.

D Employer Identification Number (EIN)
45-0677799

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

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

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	456250	220	01/01/2011	12/31/2011

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
6546	10436

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
NFP INSURANCE SERVICES INC
1250 S CAPITAL OF TX HWY
BLDG 2
AUSTIN, TX 78746-6464

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
4983	4838	REFERRAL/SERVICE FEE	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
MML INSURANCE AGENCY LLC
COMMISSIONS
PO BOX 8088
BOSTON, MA 02266-8088

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1563	1289	REFERRAL/SERVICE FEE	3

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

MML INVESTORS SERVICES LLC
PO BOX 8089
C/O BFDS
BOSTON, MA 02266-8089

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
0	2402	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

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

NFP SECURITIES INC
1250 S CAPITAL OF TEXAS
HWY BLDG 2-125
AUSTIN, TX 78746-6464

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
0	1907	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

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

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

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

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

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

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

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**	1437568

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

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

(3) ☐ other (specify) ▶

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

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

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

(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			**7b**	
c	Additions: (1) Contributions deposited during the year	**7c(1)**			
	(2) Dividends and credits	**7c(2)**			
	(3) Interest credited during the year	**7c(3)**			
	(4) Transferred from separate account	**7c(4)**			
	(5) Other (specify below)	**7c(5)**			
	▶				
	(6) Total additions			**7c(6)**	
d	Total of balance and additions (add **b** and **c(6)**).			**7d**	
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	**7e(1)**			
	(2) Administration charge made by carrier	**7e(2)**			
	(3) Transferred to separate account	**7e(3)**			
	(4) Other (specify below)	**7e(4)**			
	▶				
	(5) Total deductions			**7e(5)**	
f	Balance at the end of the current year (subtract **e(5)** from **d**)			**7f**	0

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

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

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

m ☐ Other (specify) ▶

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ENCOMPASS GROUP AFFILIATES, INC.

D Employer Identification Number (EIN)
45-0677799

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	8668	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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(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: GORFINE, SCHILLER & GARDYN
b EIN: 12-3450678
c Position: ACCOUNTANT
d Address: 10045 RED RUN BLVD
SUITE 250
OWINGS MILLS, MD 21117
e Telephone: 410-356-5900

Explanation: COST OF SERVICE TOO HIGH.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ENCOMPASS GROUP AFFILIATES, INC.

D Employer Identification Number (EIN)
45-0677799

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP VALUE SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-031	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)	11040
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP GROWTH SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-021	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)	22590
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIVERSIFIED INTL SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-015	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)	2538
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-016	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)	7918
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-043	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)	1910
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-028	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)	111800
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-023	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)	100516

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP GROWTH I SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-070	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	35855
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP GROWTH I SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-066	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	514731
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-075	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	15965
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-076	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	73798
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-077	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	96026
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-078	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	95575
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-079	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	20608
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-080	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	35
a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL STABLE VALUE SGNTURE			
b Name of sponsor of entity listed in (a): UNION BOND & TRUST COMPANY			
c EIN-PN 93-6274328-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1147252
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2015 SEP ACCT-R3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-110	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	31302

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2025 SEP ACCT-R3

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

c EIN-PN 42-0127290-111	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 149211

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2035 SEP ACCT-R3

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

c EIN-PN 42-0127290-112	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 95806

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2045 SEP ACCT-R3

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

c EIN-PN 42-0127290-113	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37958

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2055 SEP ACCT-R3

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

c EIN-PN 42-0127290-114	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12385

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ENCOMPASS GROUP AFFILIATES, INC.

D Employer Identification Number (EIN)
45-0677799

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	650	0
(2) Participant contributions	1b(2)	1363	0
(3) Other	1b(3)	0	0
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)	123053	109118
(9) Value of interest in common/collective trusts	1c(9)	327686	1147252
(10) Value of interest in pooled separate accounts	1c(10)	871580	1437568
(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)	3613104	2458838
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4937436	5152776
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4937436	5152776

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)	176416	
(B) Participants	2a(1)(B)	269013	
(C) Others (including rollovers)	2a(1)(C)	251585	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		697014
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	5960	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		5960
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	47013	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		47013
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		33608
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-57931
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-69240
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		656424
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	432416	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		432416
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	8668	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8668
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		441084
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		215340
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: CARR, RIGGS, & INGRAM, LLC **(2)** EIN: 72-1396621

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**	X		2845
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	0
e	Was this plan covered by a fidelity bond?	**4e**		X	0
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ENCOMPASS GROUP AFFILIATES, INC.

D Employer Identification Number (EIN)
45-0677799

Part I Distributions

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

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

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

EIN(s): 42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Management
Encompass Supply Chain Solutions, Inc.
775 Tipton Industrial Drive
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We have completed a D.O.L. limited-scope audit of the financial statements of the Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan (the Plan) as of December 31, 2011 and have issued our report thereon dated October 12, 2012. As permitted by 29 CR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and schedules taken as a whole.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 20, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our discussions about planning matters during June 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements.

The guidance specified in ASC Update 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements*, related to significant transfers between Level 1 and Level 2 and Level 3 disclosures was adopted by the Plan during the year ended December 31, 2011, but had no effect on the Plan's financial statement or disclosures. The application of any other existing policies was not changed during the year ended December 31, 2011.

No other new accounting policies were adopted, and the application of any other existing policies was not changed during the year ended December 31, 2011.

We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. There are no known significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

One of the most sensitive disclosures relates to the fair value of the investments as described in Note 5 – Fair Value Measurements. In this note, the fair values, as certified by Fidelity, are categorized within the fair value hierarchy by the Plan Sponsor's management as follows:

Plan interest in collective trust	Valued using Level 2 inputs	$ 1,147,252
Pooled separate funds	Valued using Level 2 inputs	$ 1,437,568
Mutual funds	Valued using Level 1 inputs	$ 2,458,838

Difficulties Encountered in Performing the Audit
We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The adjustments for significant misstatements noted during the course of the audit are attached to this letter.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether resolved or not to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 12, 2012.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
In planning and performing our audit of the Plan's financial statements as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis of designing our auditing procedures and not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, detected or corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we considered to be material weaknesses, as defined above. However, we did identify deficiencies in internal control that we consider to be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiencies, in the Plan's internal control, to be significant deficiencies:

A number compliance issues were noted as a result of the audit procedures. Most of these issues occurred due to the Plan Sponsor's lack of internal controls over processing the Plan's transactions. Establishing transaction processing routines would prevent and/or detect most of the errors identified during the audit.

The preparation of financial statements in accordance with generally accepted accounting principles requires the preparer to have knowledge of the accounting principles affecting the entity, including financial statement disclosure requirements, the awareness of changes occurring in the accounting industry that could impact the entity's financial statements, and the knowledge and resources for researching accounting issues. Generally, this knowledge is obtained through continuing education courses and experience in a public accounting firm. Since most plans are not adequately staffed to prepare full disclosure financial statements, this task is left to the certified public accounting firm engaged by the Plan. Since the Plan must rely on our firm to prepare its annual financial statements in accordance with generally accepted accounting principles, this is considered to be a significant deficiency in the Plan's internal control. Management has determined that the costs of internally preparing the annual financial statements outweigh the benefit; therefore, the Plan has elected to outsource this task to the external auditor.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

CRI CARR RIGGS & INGRAM
CPAs and Advisors

This information is intended solely for the use of the owners and management of Encompass Supply Chain Solutions, Inc. as the Plan Sponsor for the Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Atlanta, Georgia
October 12, 2012

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Consolidated PAJE Summary
December 31, 2011

	Assets DR (CR)	Liabilities DR (CR)	Net Assets Available for Benefits DR (CR)	Change in Net Assets DR (CR)
NET PY PAJEs	-	-	-	-
Change in fair value of investments			6,559	
Adjustment from fair value to contract value for common collective trusts	(6,559)			
Rollover Method	(6,559)	-	6,559	-
Iron Curtain Method	(6,559)	-	6,559	-

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K)

EIN 45 0677799
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, 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
	American Funds Service Company	Registered Investment Company Am Fds Am Bal R3 Fund	$ 0.00	$ 274,206.56
	American Funds Service Company	Registered Investment Company Am Fds EuroPacific Grth R3 Fd	$ 0.00	$ 98,412.87
	The American Funds	Registered Investment Company Am Fds Grth Fd of Am R3 Fund	$ 0.00	$ 375,401.55
	American Funds Service Company	Registered Investment Company Am Fds Inv Co of Am R3 Fund	$ 0.00	$ 235,571.14
	American Funds Service Company	Registered Investment Company Am Fds New Persp R3 Fund	$ 0.00	$ 155,939.66
	American Funds Service Company	Registered Investment Company Am Fds Wash Mut Inv R3 Fund	$ 0.00	$ 316,437.14
	The American Funds	Registered Investment Company Am Fnd Cap Inc Builder R3 Fund	$ 0.00	$ 183,631.40
	The American Funds	Registered Investment Company Ame Fnds Cap Wld Gr & In R3 Fd	$ 0.00	$ 243,551.59
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R3	$ 0.00	$ 2,537.65
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth I SA-R3	$ 0.00	$ 514,731.05
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R3	$ 0.00	$ 7,917.93
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R3	$ 0.00	$ 34.62
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R3	$ 0.00	$ 15,964.97
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2015 Sep Acct-R3	$ 0.00	$ 31,302.28
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R3	$ 0.00	$ 73,797.93

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K)

EIN 45 0677799
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, 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
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2025 Sep Acct-R3	$ 0.00	$ 149,210.50
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R3	$ 0.00	$ 96,026.48
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2035 Sep Acct-R3	$ 0.00	$ 95,806.32
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R3	$ 0.00	$ 95,575.48
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2045 Sep Acct-R3	$ 0.00	$ 37,958.09
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R3	$ 0.00	$ 20,607.65
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2055 Sep Acct-R3	$ 0.00	$ 12,384.61
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Growth Sep Acct-R3	$ 0.00	$ 22,590.45
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-R3	$ 0.00	$ 100,516.13
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Value I SA-R3	$ 0.00	$ 1,910.28
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmallCap Growth I SA-R3	$ 0.00	$ 35,854.50
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-R3	$ 0.00	$ 111,800.26
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Value Sep Acct-R3	$ 0.00	$ 11,040.41
*	Union Bond & Trust Company	Common/Collective Trust Principal Stable Value Sgnture	$ 0.00	$ 1,147,252.00
	PIMCO Funds	Registered Investment Company PIMCO Total Return R Fund	$ 0.00	$ 575,686.46

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401(K)

EIN 45 0677799
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, 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
	Participant Loans	Range of Interest Rates Rates Range From 5.25% To 5.25%	$ 0.00	$ 109,118.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Encompass Group Affiliates, Inc.
401(k) Profit Sharing Plan

Financial Statements and Independent Auditors' Report

December 31, 2011

Specific Expertise. Commitment to Quality. Innovation.
National Strength.
SOUTHERN ROOTS.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
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December 31, 2011

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Independent Auditors' Report

Plan Administrator
Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan (the Plan) as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule H, line 4a – schedule of delinquent participant contributions and the supplemental 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 Encompass Supply Chain Solutions, Inc. (the Plan Administrator). The financial statements of the Plan as of December 31, 2010, were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Principal Life Insurance Company, the custodian of the Plan. Their report, dated July 27, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the custodian, were 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.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Principal Life Insurance Company, the custodian of the Plan's assets, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the custodian as of December 31, 2011 and for the year then ended, that the information provided to the Plan Administrator by the custodian is complete and accurate.

Because of the significance of the information in the Plan's 2011 financial statements 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 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.

Carr, Riggs & Ingram, LLC

Atlanta, Georgia
October 12, 2012

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

Statements of Net Assets Available for Benefits

December 31,	**2011**	2010
Assets		
Investments, at fair value:		
Pooled separate funds	**$ 1,437,568**	$ 871,580
Mutual funds	**2,458,838**	3,613,104
Common collective trusts	**1,147,252**	327,686
Total investments	**5,043,658**	4,812,370
Receivables:		
Notes receivable from participants	**109,118**	123,053
Employer contributions receivable	**-**	650
Participant contributions receivable	**-**	1,363
Total receivables	**109,118**	125,066
Net assets reflecting investments at fair value	**5,152,776**	4,937,436
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(19,510)**	-
Net assets available for benefits	**$ 5,133,266**	$ 4,937,436

The accompanying notes are an integral part of these statements.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31,		2011
Additions to net assets attributed to:		
Investment income (loss):		
Net depreciation in fair value of investments	$	(113,072)
Interest and dividend income		47,013
Total investment income (loss)		(66,059)
Contributions:		
Employer		176,416
Participant		269,012
Participant rollovers		251,585
Total contributions		697,013
Interest income on notes receivable from participants		5,879
Total additions		636,833
Deductions from net assets attributed to:		
Benefits paid to participants		432,416
Administrative expenses		8,587
Total deductions		441,003
Net increase in net assets		195,830
Net assets available for benefits:		
Beginning of year		4,937,436
End of year	$	5,133,266

The accompanying notes are an integral part of this statement.

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan (the Plan) provides only general information. Reference should be made to the Plan Document for a more complete description of the Plan's provisions.

The Plan is a single employer defined contribution retirement Plan established effective January 1, 2009 for Encompass Supply Chain Solutions, Inc. (the Employer, the Plan Administrator and the Plan Sponsor). The Plan provides a system of pre-tax savings for the benefit of employees. The Plan's third-party administrator is Principal Life Insurance Company (Principal). The Plan has adopted a nonstandardized prototype plan sponsored by Principal Life Insurance Company as its Plan Agreement.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Subsequent events have been evaluated through October 12, 2012, which is the date that the financial statements were available to be issued.

Eligibility

An employee is eligible once 90 days of entry service has been completed and attained the age of 21. Each employee is eligible to make contributions to the Plan on the first day of the month on or after they have met the eligibility requirements. Each employee is eligible to receive matching contributions when they enter the plan and have 1,000 or more hours of service in the plan year.

Funding

Participants are allowed to contribute up to 96% of their annual compensation (as defined) subject to statutory dollar limitations of $16,500 in 2011. In addition, participants who are age 50 or older and have made the maximum contribution to the Plan can make an additional "catch-up" contribution to an annual maximum of $5,500 for 2011. These amounts are pre-tax contributions.

The Employer may match 100% of employee pre-tax contributions to a maximum of 3% of gross pay, plus 50% of employee pre-tax contributions which are over 3%, but not over 5% of gross pay. The Company has the option to make profit sharing contributions, however no additional discretionary contributions were made during the years ended December 31, 2011.

Participants are immediately vested in their contributions, qualified matching contributions, rollover contributions, plus actual earnings thereon. Vesting in all other employer contributions is based on years of service. Participants are 20% vested after two years of service and vesting increases 20% for each additional year of service until fully vested after six years of service.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Allocations to the Participant Accounts

Participants' accounts are credited with the participant's contribution and allocation of (a) the Company's contribution, and (b) Plan earnings. Allocations are based on participant earnings or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Distributions

The participant's vested portion of his/her account balance will be available for distribution in the event of retirement, death, disability or termination of employment, subject to the Plan's provisions.

While employed, a participant may withdraw rollover contributions at any time. Also while employed, a participant who either reaches age 59½ or is considered totally disable may withdraw all or part of his/her account balance.

Notes Receivable from Participants

A participant may borrow up to the lesser of $50,000 or 50% of the vested portion of his/her account balance, repayable over a reasonable period of time not to exceed five years and bearing interest at a reasonable rate of interest as determined by the Plan Administrator. Principal and interest is paid ratably through payroll deductions.

Forfeited Accounts

Forfeited, non-vested accounts will be used to pay plan expenses. Any forfeiture left after paying Plan expenses are reallocated.

Plan Administration Expenses

The Employee Retirement Income Security Act of 1974 (ERISA) allows certain expenses directly related to operating the plan to be paid from your account. Also, specific fees may be charged directly to your account in response to transactions that are requested under the plan.

Investment Options

In accordance with the Plan's provisions, the Plan Custodian, Principle, provides various investment options with different investment objectives and levels of risk for the participant's accounts. The participant directs the Plan Administrator and the Custodian as to the investment or reinvestment of his/her account balance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Benefits are recorded when paid to participants.

Investments

In accordance with the Plan provisions, the Plan Administrator contracted with Principal Life, an insurance company, to provide a variety of investment options with different investment objectives and levels of risk for the participants' accounts. Participants may change their investment allocations and redirect their existing account balances to a different investment fund daily.

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's investment in the Principal Stable Value Signature Fund, a common collective trust, meets the criteria of the FSP. The Plan has adopted the provisions of the FSP.

The fair value of the Plan's interest in the collective trust is based on information reported by the issuer of the common collective trust at year-end. The contract value of the common collective trust represents contributions, plus earnings, less participant withdrawals and administrative expenses.

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

Notes Receivable from Participants

Notes receivable from participants are stated at the outstanding balance of the loan plus accrued interest. Defaulted notes receivable from participants are recorded as distributions based on the terms of the Plan document.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Market and Credit Risk

The financial instruments, which potentially subject the Plan to concentrations of market and credit risk, are principally investments. The Plan's investments consist of various mutual funds, pooled separate accounts and a common collective trust. To reduce concentrations of credit risk, the Plan Administrator has made available various types of funds to the participants, and the participants themselves choose their own funds based upon their appropriate risk level. As a consequence, the Plan Administrator believes that the Plan's credit risk exposure is limited.

However, due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of these investments, it is at least reasonably possible that changes in risks in the near term could materially affect participant account balances and the amounts reported in the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires that the Plan Administrator make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Guidance

In January 2010, the Financial Accounting Standards Board (FASB) issued under Accounting Standards Codification (ASC) 820, ASC Update 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements*. This guidance requires: (i) separate disclosure of significant transfers between Level 1 and Level 2 and reasons for the transfers; (ii) disclosure, on a gross basis, of purchases, sales, issuances, and net settlements within Level 3; (iii) disclosures by class of assets and liabilities; and (iv) a description of the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. The guidance has been adopted for plan year ended December 31, 2011. The adoption of this guidance did not have a material effect on the Plan’s net assets for benefits or changes therein and related disclosures.

In September 2010, the FASB issued an amendment (“ASU 2010-25”) to *Plan Accounting — Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Plans*, which provides guidance on how loans to participants should be classified and measured by defined contribution plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their principal balance plus any accrued but unpaid interest. ASU 2010-25 was adopted for the year ended December 31, 2010. There was no impact to the Plan’s net assets as of December 31, 2011 as a result of the adoption.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Guidance (Continued)

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,* which amends ASC 820. ASU 2011-04 requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The Plan's management is currently evaluating the impact of the adoption of this guidance on the Plan's financial statements and on the disclosures.

NOTE 3 – CERTIFICATION OF FINANCIAL INFORMATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following investment and notes receivable from participants' information was certified by Principal Financial Services, Inc. and was not subjected to any auditing procedures, except for comparing such information to the amounts included in the Plan's financial statements and supplemental schedules.

The amounts certified by Principal Financial Services, Inc. at December 31, 2011 consist of the following:

Investments in pooled separate accounts, common collective trusts (at contract value) and mutual funds	$5,043,658
Notes receivable from participants	$ 109,118

Principal Financial Services, Inc. certified as complete and accurate $113,072 of the net depreciation in the fair value of investments and $52,892 of interest and dividend income (including interest income on notes receivable from participants), as shown in the financial statements for the year ended December 31, 2011.

NOTE 4 – INVESTMENTS

The following is a summary of investments held by the Plan at December 31, 2011 that represent 5% or more of the Plan's net assets:

Investment in Principal Stable Value Signature, a common collective trust, at fair value	$1,147,252
Investments in mutual funds:	
American Funds Am Balance	$ 274,207
American Funds Growth	$ 375,402
American Funds Washington Mutual	$ 316,437
PIMCO Total Return	$ 575,686
Investments in pooled separate accounts:	
Principal Large Cap Growth	$ 514,731

The Plan's investments depreciated by $113,072 for the years ended December 31, 2011.

NOTE 5 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements* (ASC 820), defines fair value, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are observable as of the reporting date. These inputs include quoted prices for similar assets in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; and inputs derived by other observable market data.

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

NOTE 5 – 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Mutual Funds: Valued at the "net asset value" (NAV) of shares held by the Plan at year end. The NAV is a quoted price in an active market.

Pooled Separate Accounts and Common Collective Trust: Valued at their "accumulation unit value" (AUV). The separate account is valued daily as the number of accumulation units held multiplied by the AUV. The AUV is first established when a new fund starts and then is determined daily based on the net asset value of shares of the underlying fund, the fund's dividends and the contract's separate account charges.

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

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

	Level 1	Level 2	Level 3	Total
Pooled Separate Funds				
Balanced Asset Allocation	$	$628,670	$	$628,670
International Equity		2,539		2,539
Large U.S. Equity		522,648		522,648
Small/Mid U.S. Equity		283,711		283,711
Total pooled separate funds		1,437,568		1,437,568
Mutual Funds				
Balanced Asset Allocation	457,838			457,838
Fixed Income	575,686			575,686
International Equity	497,904			497,904
Large U.S. Equity	927,410			927,410
Total mutual funds	2,458,838			2,458,838
Common collective trust(1)		1,147,252		1,147,252
Total assets at fair value	$2,458,838	$2,584,820	$	$5,043,658

NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Level 1	Level 2	Level 3	Total
Pooled Separate Funds				
Balanced Asset Allocation	$	$498,232	$	$498,232
International Equity		3,937		3,937
Large U.S. Equity		262,923		262,923
Small/Mid U.S. Equity		106,488		106,488
Total pooled separate funds		871,580		871,580
Mutual Funds				
Balanced Asset Allocation	550,841			550,841
Fixed Income	362,948			362,948
International Equity	942,451			942,451
Large U.S. Equity	1,756,864			1,756,864
Total mutual funds	3,613,104			3,613,104
Common collective trust(1)		327,686		327,686
Total assets at fair value	$3,613,104	$1,199,266	$	$4,812,370

(1) This fund is designed with the view of capital preservation and income generation. Participant-directed redemptions are executed at contract value rather than fair value and have no restrictions; however, the Plan is required to provide a one-year redemption notice to the fund issuer to exit the fund. There are no unfunded commitments related to any of the underlying portfolio securities

NOTE 6 – TERMINATION OF THE PLAN

Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become 100% vested in their account balances.

NOTE 7 – CUSTODIAN'S RESPONSIBILITY

The Plan is administered by the Plan Administrator. Authority for control, management and administration of the Plan is vested in the Plan Administrator. The Plan's Custodian, Principal Financial Services, Inc. is appointed by the Plan Administrator. As the Plan's fiduciary, the Custodian's responsibility is to maintain the Plan assets. The trust fund established by the Custodian is the funding medium used for the accumulation and distribution of benefits.

NOTE 8 – PARTIES-IN-INTEREST TRANSACTIONS

Certain expenses of the Plan, including legal and accounting fees, are paid by the Employer. In addition, certain services to the Plan, by the Employer, were performed at no charge.

NOTE 9 – RECONCILIATION OF THE FINANCIAL STATEMENTS TO FORM 5500

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

Net assets available for benefits, per the Form 5500	$5,152,776
Change in fair value to contract value adjustment for stable value options as of December 31, 2011	(19,510)
Net assets available for benefits, per the financial statements	$5,133,266

Net increase in net assets available for benefits, per the Form 5500	$ 215,340
Change in fair value to contract value adjustment for stable value options as of December 31, 2011	(19,510)
Net increase in net assets available for benefits per the financial statements	$ 195,830

NOTE 10 – TAX STATUS

The Plan adopted a nonstandardized prototype plan sponsored by Principle Life Insurance Company. The prototype plan has received an opinion letter dated March 31, 2008 from the Internal Revenue Service (IRS) as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since the date of this opinion letter. The Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

FASB ASC 740, *Income Taxes* (ASC 740) and accounting principles generally accepted in the United States of America require the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the relevant taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 11 – COMPLIANCE MATTERS

During the Plan year ended December 31, 2011, it came to the attention of the Plan Sponsor that certain compliance issues had occurred in the Plan as follows:

- The Plan Agreement calls for commissions paid to employees to be included in amounts deferred and matched. Deferral and match amounts were not taken on commissions paid to certain employees during the year ended December 31, 2011.
- During the current year transfer of payroll to one centralized system, certain errors were noted in employees' elected deferral percentages and amounts.

The Plan Sponsor is in the process of diligently assessing and correcting, as necessary, the above listed compliance issues. The Plan Sponsor estimates that any amounts related to the correction of the above matters are not significant to the Plan's financial statements.

Supplemental Schedules

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

Schedule H, Line 4a -- Schedule of Delinquent Participant Contributions
December 31, 2011

Participant Contributions Transferred Late to Plan				Total that Constitute Nonexempt Prohibited Transactions			
Amount Withheld	Date Withheld	Date Remitted		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Corrections in VFCP	Totally Fully Corrected Under VFCP and PTE 2002-51
$ 2,435	05/31/10	08/09/10	(1)	$ 2,435			
$ 410	02/12/09	12/30/10	(2)	$ 410			

(1) Represents delinquent participant deferrals and loan repayments from various 2010 pay periods.
(2) Represents delinquent participant deferrals and loan repayments from various 2009 pay periods.

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Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

Schedule H, Line 4i, Schedule of Assets (Held at end of Year)
December 31, 2011

(a)(b)(c) Description of Assets	(d) Cost[1]	(e) Current Value
*Investment in Principal Stable Value Signature, a common collective trust, at fair value		$ 1,147,252
*Investment in Principal Life Insurance Company pooled separate accounts:		
Principal Large Cap Growth		514,731
Principal Life Time 2025		149,211
Principal Small Cap S&P 600		111,800
Principal Mid Cap S&P 400		100,516
Principal Life Time 2030		96,027
Principal Life Time 2035		95,806
Principal Life Time 2040		95,575
Principal Life Time 2020		73,798
Principal Life Time 2045		37,958
Principal Small Cap Growth		35,855
Principal Life Time 2015		31,302
Principal Mid Cap Growth		22,590
Principal Life Time 2050		20,608
Principal Life Time 2010		15,965
Principal Life Time 2055		12,385
Principal Small Cap Value		11,040
Principal Large Cap S&P 500		7,917
Principal Diversified		2,539
Principal Med Cap Value		1,910
Principal Life Time Strat		35
Total pooled separate accounts		1,437,568
Investment in other mutual funds:		
PIMCO Total Return		575,686
American Funds Growth		375,402
American Funds Washington Mutual		316,437
American Funds Am Balance		274,207
American Funds Cap World Growth		243,552
American Funds Inv Co		235,571
American Funds Cap Inc		183,631
American Funds New Perspective		155,940
American Funds Euro Pacific		98,412
Total mutual funds		2,458,838
Total investments		5,043,658
*Installment notes receivable to participants at 5.25%, with final payments due in 2016.		109,118
		$ 5,152,776

*Indicates a party-in-interest to the Plan as defined by ERISA.

[1] Cost information not required for investments in mutual funds as per special rule for certain participant directed transactions.

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