

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 <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>05/01/1956</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u> <u>1201 WEST FRANK AVENUE</u> <u>LUFKIN, TX 75901</u>	2b Employer Identification Number (EIN) <u>75-0755367</u> 2c Sponsor's telephone number <u>936-634-8111</u> 2d Business code (see instructions) <u>622000</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/12/2012</u>	<u>KRISTI GAY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

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v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") RETIREMENT COMMITTEE PO BOX 1447 LUFKIN, TX 75902-1447	3b Administrator's EIN 75-1516079 3c Administrator's telephone number 936-634-8111
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1182
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	374
b Retired or separated participants receiving benefits.....	6b	304
c Other retired or separated participants entitled to future benefits.....	6c	503
d Subtotal. Add lines 6a , 6b , and 6c	6d	1181
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	
f Total. Add lines 6d and 6e	6f	1181
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

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

1G 1A

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

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

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

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u>	D Employer Identification Number (EIN) <u>75-0755367</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>28914130</u>
b Actuarial value	2b <u>28914130</u>
3 Funding target/participant count breakdown:	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>285</u> <u>15375031</u>
b For terminated vested participants	3b <u>488</u> <u>8304006</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>4875321</u>
(2) Vested benefits	3c(2) <u>5982206</u>
(3) Total active	3c(3) <u>409</u> <u>10857527</u>
d Total	3d <u>1182</u> <u>34536564</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.31 %</u>
6 Target normal cost	6 <u>212000</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/10/2012</u>
<u>RICHARD B MALLETT</u>	Signature of actuary	Date
<u>TOWERS WATSON DELAWARE INC</u>	Type or print name of actuary	<u>11-04026</u>
<u>500 N AKARD ST SUITE 4100</u> <u>DALLAS, TX 75201</u>	Firm name	Most recent enrollment number
	Address of the firm	<u>214-530-4200</u>
		Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of <u>13.42</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		456
b	Interest on (a) using prior year's effective rate of <u>6.60</u> % except as otherwise provided (see instructions)		30
c	Total available at beginning of current plan year to add to prefunding balance		486
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		

Part III Funding percentages			
14	Funding target attainment percentage	14	83.72 %
15	Adjusted funding target attainment percentage	15	83.72 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	78.36 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/22/2011	170000		06/21/2011	135000	
11/21/2011	170000		05/20/2011	135000	
10/24/2011	170000		04/25/2011	133200	
09/26/2011	165000		03/21/2011	135000	
08/22/2011	165000		02/23/2011	135000	
07/15/2011	165000		01/24/2011	135000	
			Totals ►	18(b) 1813200	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 1754309
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

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

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	212000	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	5622434	1325744	
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	1537744	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35)	36	1537744	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1754309	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	216565	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39		
40 Unpaid minimum required contributions for all years.....	40		

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

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

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

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

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u>	D Employer Identification Number (EIN) <u>75-0755367</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

TOWERS WATSON

500 N AKARD ST SUITE 4100
DALLAS, TX 75201

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE		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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u>	D Employer Identification Number (EIN) <u>75-0755367</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	559000	
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	61528	29928
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	675189	2593751
	(2) U.S. Government securities.....	1c(2)	4520564	3707637
	(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)	4145365	3978466
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	18934513	18528648
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	28896159	28838430

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	14458	16451
k Total liabilities (add all amounts in lines 1g through 1j)	1k	14458	16451

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	28881701	28821979
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1815000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1815000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	5613	
(B) U.S. Government securities	2b(1)(B)	146075	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		151688
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	122338	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		122338
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	19225449	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	19061829	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		163620

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-270434	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-270434
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-251889
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1730323

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1551934	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1551934
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	82842	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	63292	
(4) Other	2i(4)	91977	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		238111
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1790045

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-59722
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **AXLEY & RODE, LLP**

(2) EIN: **75-0767305**

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
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.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u>	D Employer Identification Number (EIN) <u>75-0755367</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>75-2303046</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stock: 78.0% Investment-Grade Debt: 21.9% High-Yield Debt: _____% Real Estate: _____% Other: 0.1%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☒ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

December 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

Retirement Committee
Retirement Plan for Employees of
Memorial Health System of East Texas
Lufkin, Texas

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the Retirement Plan for Employees of Memorial Health System of East Texas as of December 31, 2011 and 2010, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended and the supplemental schedules of Assets Held for Investment Purposes and Reportable Transactions as of and for the year ended December 31, 2011 and the Statement of Accumulated Plan Benefits and related Statement of Changes in Accumulated Benefits as of and for the year ended December 31, 2010. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor 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 H, which was certified by First Bank & Trust of East Texas, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statement 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 schedules, other than that derived from the information certified by the Trustee, 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Lufkin, Texas
October 4, 2012


CERTIFIED PUBLIC ACCOUNTANTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	DECEMBER 31,	
	<u>2011</u>	<u>2010</u>
ASSETS		
Investments at Fair Value:		
Short-term money market funds and cash	\$ 622 462	\$ 675 189
Certificates of deposit	1 971 289	-
U. S. Government bonds and agency securities	3 707 637	4 520 564
Corporate stocks	3 978 466	4 145 365
Mutual funds	18 528 648	18 934 513
TOTAL INVESTMENTS	<u>28 808 502</u>	<u>28 275 631</u>
Receivables:		
Contribution receivable	-	559 000
Accrued interest receivable	29 928	61 528
TOTAL RECEIVABLES	<u>29 928</u>	<u>620 528</u>
 TOTAL ASSETS	 <u>28 838 430</u>	 <u>28 896 159</u>
LIABILITIES		
Accrued expenses	16 451	14 458
TOTAL LIABILITIES	<u>16 451</u>	<u>14 458</u>
 NET ASSETS AVAILABLE FOR PLAN BENEFITS	 <u>\$ 28 821 979</u>	 <u>\$ 28 881 701</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Investment Income (Loss):		
Net appreciation (depreciation) in fair value of investments	\$ (827 104)	\$ 2 776 025
Interest	151 688	253 491
Dividends	590 739	368 677
	<u>(84 677)</u>	<u>3 398 193</u>
Less investment expenses	<u>63 292</u>	<u>57 968</u>
	(147 969)	3 340 225
Contributions (employer)	1 815 000	1 672 000
Other income	-	51
TOTAL ADDITIONS (DEDUCTIONS)	<u>1 667 031</u>	<u>5 012 276</u>
Payments paid directly to participants/beneficiaries	1 551 934	1 533 098
Administrative expense	174 819	153 506
TOTAL DEDUCTIONS	<u>1 726 753</u>	<u>1 686 604</u>
NET INCREASE (DECREASE)	(59 722)	3 325 672
Net Assets Available for Plan Benefits:		
Beginning of year	28 881 701	25 556 029
END OF YEAR	<u>\$ 28 821 979</u>	<u>\$ 28 881 701</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACCUMULATED PLAN BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	DECEMBER 31, 2010
Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits:	
Participants currently receiving payments	\$ 13 784 955
Participants with deferred benefits	6 814 654
Participating employees	<u>9 308 716</u>
	29 908 325
Nonvested and death and disability benefits	<u>-</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	<u><u>\$ 29 908 325</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CHANGES IN ACCUMULATED BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	FOR THE YEAR ENDED DECEMBER 31, 2010
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT JANUARY 1, 2010	\$ <u>29 383 094</u>
Increase (Decrease) During the Year Ended Attributable To:	
(Decrease) due to payments to participants/beneficiaries	(1 451 113)
Increase due to change in the discount period	2 149 315
Increase due to actuarial losses	1 115
Decrease due to change in actuarial assumptions	<u>(174 086)</u>
NET INCREASE	<u>525 231</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT DECEMBER 31, 2010	\$ <u><u>29 908 325</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE A - DESCRIPTION OF THE PLAN

The following description of The Retirement Plan for Employees of Memorial Health System of East Texas ("Plan") provides only general information. For a more complete description of the Plan's provisions, refer to the Summary Plan Description or the Plan Agreement.

1. Employees Included in the Plan: Includes all employees who were participants in the superseded plan as of April 30, 1976 and generally all other employees who have completed 1,000 hours of service in one year subsequent to that date prior to the cessation of benefit accruals ("freezing of plan") at December 31, 2003.
2. Vesting Service: Vesting Service is equal to the total period of elapsed time, computed in years and days, from first date of employment until normal retirement date or termination of employment, if earlier, less that portion of any absence that is in excess of 12 months. A participant's initial Vesting Date at 100% is the earlier of (a) the date the participant has completed five years of Vesting Service or (b) the date the participant attains age 65. Normal Retirement date is the first day of the month coincident with or next following age 65. See Note J for the effect of the amendment to cease benefit accruals for the Plan effective December 31, 2003.
3. Pension Benefits: On termination of service, a participant under the normal form of benefits will receive monthly income for life, qualified joint and contingent benefit for married employees, or lump sum distribution if benefit is less than \$5,000. Employees are eligible for early retirement if the participant has attained age 55 and completed 15 years of credited service.
4. Death and Disability Benefits: Upon the death of a participant after completion of two years of vesting service but prior to his normal retirement date, his beneficiary will receive a monthly retirement income, payable for life thereafter beginning on the first day of the month coincident with or next following the date of death. Upon total and permanent disability of a participant after completion of two years of vesting service but prior to normal retirement date, he will be entitled to a monthly income, payable for life.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting: The Plan has prepared its financial statements on the accrual basis in all material respects.
2. Valuation of Investments: Investments are recorded at fair value. Investments with quoted market values are valued at the last reported sales price on the last business day of the plan year. Mutual funds are recorded at their net asset value on the last day of the plan year. The change in the difference between current value and cost of investments is reflected in the statement of changes in net assets available for plan benefits as net appreciation/(depreciation) in the fair value of investments. Purchases and sales of securities are recorded on a trade-date basis. Investment values and related income are certified to by the trustee as noted in Note H.
3. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statement. Actual results could differ from those estimates.
4. Benefit Payments: Benefits paid to participants are recorded upon distribution.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Actuarial Present Value of Accumulated Plan Benefits: Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to services rendered by the employees prior to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. The accumulated plan benefits are based on the employees average monthly rate of basic compensation for the five successive calendar years out of the fifteen calendar years next preceding normal retirement that gave the highest monthly average rate. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered prior to the valuation date. (See Note J relating to the frozen status of the plan).

The actuarial present value of accumulated plan benefits is determined by an actuary from Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of December 31, 2010 were (a) life expectancy of participants (the RP-2000 Mortality Tables were used), (b) retirement age assumptions are decrements from age 55 to 70 and (c) investment return. The assumed average returns as of December 31, 2010 and 2009 are 7.50%. For the valuation as of December 31, 2009, the actuary used the 1994 Group Annuity Mortality Tables for life expectancy; this represents the only change in actuarial assumptions between the benefit information dates. The foregoing actuarial assumptions are based on the presumption that the frozen status of the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.
6. The actuarial information used in the statement of accumulated plan benefits and the statement of changes in accumulated benefits is beginning of the year information.
7. The Plan was amended in 2003 to freeze Plan participation and benefit accruals. See Note J for additional details on the benefit accrual.
8. Risks and Uncertainties: The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.
9. Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.
10. Fair Value Measurement: Financial Accounting Standards Board ("FASB") Accounting Standards Codification No. 820 ("ASC No. 820") defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. (See Note F)
11. Subsequent Events: The Plan management has evaluated subsequent events through October 4, 2012, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE C - FUNDING POLICY

Memorial Health System of East Texas funding policy is to make annual contributions in amounts at least equal to the amounts, if any, required to meet the minimum funding requirements of Section 412 of the Internal Revenue Code, as now or hereafter amended, as specified in the actuary's valuation reports for the applicable periods of time. For Plan years beginning January 1, 2011 and January 1, 2010 a contribution of \$1,537,744 and \$1,605,863 respectfully, was required to keep the Plan funded in accordance with the minimum funding standards of the Employee Retirement Income Security Act ("ERISA"). The Plan received contributions of \$1,815,000 and \$1,672,000 during the 2011 and 2010 plan years, respectively.

NOTE D - PLAN TERMINATION

Upon plan termination, the Retirement Committee shall determine the asset value available for distribution. Allocation shall then be made in accordance with Section 4044 of the Employee Retirement Income Security Act of 1974, as amended. The distribution shall be (subject to the provisions of Section 417(e)(1) of the Internal Revenue Code) by purchase of insured annuities from a company selected by the Committee. Any remaining residual assets will be distributed to the employer. Order of priorities for distribution shall be subject to distribution rules and limitations provided in the Plan as well as any changes ordered by the Pension Benefit Guarantee Corporation ("PBGC") or Internal Revenue Service.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit. For Plan terminations occurring during 2012 for participants retiring at an age no greater than 70, that ceiling is \$7,725 per month based on selection of life annuity.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

NOTE E - INVESTMENTS

The Plan's investments are held by a bank-administered trust fund. Investments or groups of similar investments that represent 5% or more of the Plan's net assets are separately identified.

	DECEMBER 31,	
	2011	2010
Investments at Fair Value as Determined by		
Quoted Market Price:		
Federal Home Loan Bank bonds	\$ 616 592	\$ 2 354 544
Certificates of deposit	1 971 289	-
Corporate stocks	3 978 466	4 145 365
Fidelity Puritan Low Price Stock Fund	1 574 002	1 661 588
Vanguard 500 Index Fund	6 221 165	6 163 412
Vanguard Extended Market Index Fund	1 735 715	1 836 878
Vanguard Small Cap Growth Index Fund	1 762 861	1 978 867
Other Investments	10 948 412	10 134 977
TOTAL INVESTMENTS	<u>\$ 28 808 502</u>	<u>\$ 28 275 631</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE E - INVESTMENTS - CONTINUED

During 2011 and 2010, the Plan's investments (including investments bought, sold, and held during the year) appreciated/(depreciated) in value by \$(827,104) and \$2,776,025 as follows:

	YEARS ENDED DECEMBER 31,	
	2011	2010
Certificates of deposit	\$ (6 486)	\$ -
U. S. Government bonds and agency securities	66 570	(79 064)
Corporate stocks	(166 898)	326 415
Mutual funds	(720 290)	2 528 674
	<u>\$ (827 104)</u>	<u>\$ 2 776 025</u>

At December 31, 2011 and 2010, respectively, this appreciation/(depreciation) in value is reflective of net realized gains/(losses) on investments sold of \$163,620 and \$(25,039) and unrealized appreciation/ (depreciation) in value of \$(990,724) and \$2,801,064.

NOTE F - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of 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 fair value measurement accounting literature establishes 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 measurements involving significant unobservable inputs, Level 3 measurements. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value; Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are as follows:

- **Level 1** inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and debt securities. Investments in underlying mutual funds are valued at their Net Asset Value (NAV) daily and are classified as Level 1 prices.
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- **Level 3** inputs are unobservable inputs (including First Bank & Trust's own assumption in determining the fair value of investments) for the asset or liability. Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the Funds use one or more valuation techniques for which sufficient and reliable data is available.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

		FAIR VALUE MEASUREMENTS AT REPORTING DATE USING		
		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
		FAIR VALUE		
December 31, 2011:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	\$	616 592	\$	616 592
Federal National Mortgage Association Bonds		859 586		-
Federal Home Loan Mortgage Corporation Bonds		1 418 588		-
Federal Farm Credit		812 871		-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES		3 707 637		-
Corporate Stocks		3 978 466		-
Mutual Funds:				
Bond Funds		2 451 023		-
Equity Funds		16 077 625		-
TOTAL MUTUAL FUNDS		18 528 648		-
Short-Term Money Market Funds		616 629		-
Certificates of Deposit		1 971 289		-
	\$	28 802 669	\$	28 802 669

		FAIR VALUE MEASUREMENTS AT REPORTING DATE USING		
		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
		FAIR VALUE		
December 31, 2010:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	\$	2 354 544	\$	2 354 544
Federal National Mortgage Association Bonds		616 188		-
Federal Home Loan Mortgage Corporation Bonds		1 336 610		-
Federal Farm Credit		213 222		-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES		4 520 564		-
Corporate Stocks		4 145 365		-
Mutual Funds:				
Bond Funds		2 311 619		-
Equity Funds		16 622 894		-
TOTAL MUTUAL FUNDS		18 934 513		-
Short-Term Money Market Funds		667 485		-
	\$	28 267 927	\$	28 267 927

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE G - TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has been amended since receiving the determination letter; however the Retirement Committee is not aware of any action or event that has occurred that might affect the Plan's qualified status.

NOTE H - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements, notes and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

	DECEMBER 31,	
	2011	2010
Investments at Fair Value:		
Short-term money market funds and cash	\$ 622 462	\$ 675 189
Certificates of deposit	\$ 1 971 289	\$ -
U. S. Government bonds and agency securities	\$ 3 707 637	\$ 4 520 564
Corporate stocks	\$ 3 978 466	\$ 4 145 365
Mutual funds	\$ 18 528 648	\$ 18 934 513

	YEARS ENDED DECEMBER 31,	
	2011	2010
Interest income	\$ 183 288	\$ 256 810
Dividend income	\$ 590 739	\$ 368 677

All information in supplemental Schedule H, line 4i.

Information necessary to complete supplementary Schedule H, line 4j.

Information necessary to complete net appreciation in fair value of investments (Note E) \$(827,104) and \$2,776,025.

The following is a reconciliation of data certified by the trustee with that presented in the accompanying financial statements regarding interest income:

	2011	2010
Interest income per trustee statements	\$ 183 288	\$ 256 810
Adjustment for interest accruals	(31 600)	(3 319)
FINANCIAL STATEMENT BALANCE	<u>\$ 151 688</u>	<u>\$ 253 491</u>

NOTE I - PLAN ADMINISTRATION

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE J - CESSATION OF BENEFIT ACCRUAL

Future benefit accruals, service credits, and compensation increases under the Retirement Plan for Employees of Memorial Health System of East Texas (the "Plan") ceased effective December 31, 2003, by amendment to the Plan, and no Participant will earn any further accruals after such date.

Prior to this Plan amendment, a Participant was entitled to a normal retirement benefit at age 65 in an amount equal to the sum of 1.3% of his Final Average Monthly Compensation multiplied by his years of Credited Service not in excess of 40 years, plus .65% of his Final Average Monthly Compensation in excess of the Monthly Covered Compensation that applies to him multiplied by his years of Credited Service that are not in excess of 35 years.

By modifying the provisions of the Plan, (a) all future benefit accruals for employees of Memorial Health System of East Texas will cease as of December 31, 2003, and credited service, compensation, and final average monthly compensation will not increase after December 31, 2003, and (b) participation in the Plan will be limited to those persons who are Participants in the Plan as of December 31, 2003. No other employee of Memorial Health System of East Texas will be allowed to become a Participant in the Plan after December 31, 2003.

SUPPLEMENTAL SCHEDULES

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
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PN #001

(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Short-Term Money Market Funds	Various, see attached	\$ 616 629	\$ 616 629
	Certificates of Deposit	Various, see attached	1 977 775	1 971 289
	U. S. Government Bonds and Agency Securities	Various, see attached	3 636 680	3 707 637
	Corporate Stocks	Various, see attached	2 996 615	3 978 466
	Mutual Funds	Various, see attached	<u>18 337 268</u>	<u>18 528 648</u>
	TOTAL		<u>\$ 27 564 967</u>	<u>\$ 28 802 669</u>

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		5,833.08		5,833.08	.02			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRIN	616,628.970	616,628.97	1.000	616,628.97	2.14	.00	61.66	.01
TOTAL CASH EQUIVALENTS		622,462.05		622,462.05		.00	61.66	.01

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	99.850	24,962.50	.09	-37.50	337.50	1.35
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	99.717	249,292.50	.87	-707.50	3,500.00	1.40
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	99.091	198,182.00	.69	-1,818.00	4,000.00	2.02
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	99.395	198,790.00	.69	-1,210.00	4,200.00	2.11
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	99.834	199,668.00	.69	-332.00	4,300.00	2.15
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	99.375	52,668.75	.18	-331.25	954.00	1.81
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	99.854	144,788.30	.50	-211.70	2,102.50	1.45
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	100.057	105,059.85	.36	59.85	1,575.00	1.50
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	99.833	199,666.00	.69	-334.00	4,000.00	2.00

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
KANSAS ST BK CD 1.50% DUE 10/31/2016	200,000	199,999.99	99.726	199,452.00	.69	-547.99	3,000.00	1.50
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	99.686	149,529.00	.52	-246.00	1,500.00	1.00
WESTER ST BANK 1.50% DUE 10/28/16	250,000	250,000.00	99.692	249,230.00	.87	-770.00	3,750.00	1.50
TOTAL BANK CD'S		1,977,774.99		1,971,288.90		-6,486.09	33,219.00	1.69

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FEDERAL HOME LOAN BANK 3.25% DUE 3/19/2012	200,000	199,620.00	100.573	201,146.00	.70	1,526.00	6,500.00	3.23
FREDDIE MAC 5.125% DUE 7/15/12	200,000	196,880.00	102.698	205,396.00	.71	8,516.00	10,250.00	4.99
FEDERAL HOME LOAN BANK 4.50% DUE 09/14/2012	200,000	196,140.00	102.912	205,824.00	.71	9,684.00	9,000.00	4.37
FANNIE MAE 4.00% DUE 1/28/2013	200,000	199,836.00	103.864	207,728.00	.72	7,892.00	8,000.00	3.85
FED FARM CREDIT 3.70% DUE 5/15/2013	200,000	195,583.42	104.591	209,182.00	.73	13,598.58	7,400.00	3.54
FREDDIE MAC 4.25% DUE 5/22/2013	200,000	196,607.90	105.402	210,804.00	.73	14,196.10	8,500.00	4.03

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FEDERAL HOME LOAN BANK 3.75% DUE 6/14/2013	200,000	199,972.66	104.811	209,622.00	.73	9,649.34	7,500.00	3.58
FREDDIE MAC 1.00% DUE 8/28/2014	200,000	200,000.00	100.074	200,148.00	.69	148.00	2,000.00	1.00
FHLMC 1.27% DUE 1/26/15	250,000	250,812.50	100.369	250,922.50	.87	110.00	3,175.00	1.27
FED FARM CREDIT BANK 1.93% DUE 5/13/2015	100,000	100,877.24	101.104	101,104.00	.35	226.76	1,930.00	1.91
FHLMC 1.55% DUE 07/06/15	100,000	100,350.00	100.009	100,009.00	.35	-341.00	1,550.00	1.55
FANNIE MAE 2.00% DUE 11/23/2015	150,000	150,000.00	100.642	150,963.00	.52	963.00	3,000.00	1.99
FANNIE MAE 1.10% DUE 11/25/2015	500,000	500,000.00	100.179	500,895.00	1.74	895.00	5,500.00	1.10
TOTAL MATURITY (0-5 YRS)		2,686,679.72		2,753,743.50		67,063.78	74,305.00	2.70
MATURITY (5-10 YRS)								
FREDDIE MAC 2.02% DUE 02/17/2017	100,000	100,000.00	100.171	100,171.00	.35	171.00	2,020.00	2.02
FED FARM CREDIT 3.00% DUE 3/30/2017	500,000	500,000.00	100.517	502,585.00	1.74	2,585.00	15,000.00	2.98
FREDDIENOTES MULTI STEP 2.00% DUE 3/15/2019	350,000	350,000.00	100.325	351,137.50	1.22	1,137.50	7,000.00	1.99
TOTAL MATURITY (5-10 YRS)		950,000.00		953,893.50		3,893.50	24,020.00	2.52

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TOTAL U.S. GOVT AGENCIES		3,636,679.72		3,707,637.00		70,957.28	98,325.00	2.65
TOTAL BONDS & NOTES		3,636,679.72		3,707,637.00		70,957.28	98,325.00	2.65

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	21,558.570	288,000.00	13.300	286,728.98	1.00	-1,271.02	12,396.18	4.32
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	9.000	3,440.47	.01	-424.32	146.03	4.24
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	94,953.628	1,083,350.93	11.570	1,098,613.48	3.81	15,262.55	40,450.25	3.68
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX)	14,434.302	177,634.48	10.370	149,683.71	.52	-27,950.77	6,293.36	4.20
USAA SHORT TERM BOND FUND (USSBX)	13,637.358	125,000.00	9.140	124,645.45	.43	-354.55	3,613.90	2.90
VANGUARD BD INDEX FD INC COM FD #84 (VBMFX_E)	20,008.376	216,000.00	11.000	220,092.14	.76	4,092.14	6,762.83	3.07
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	21,124.258	216,000.00	9.990	211,031.34	.73	-4,968.66	9,125.68	4.32
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.840	356,787.46	1.24	-3,212.54	3,719.28	1.04
TOTAL MUTUAL FUND BONDS		2,469,850.20		2,451,023.03		-18,827.17	82,507.51	3.37

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	28.270	169,620.00	.59	84,174.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	54.010	297,055.00	1.03	60,772.46	8,690.00	2.93
BAXTER INTL INC COM (BAX)	6,000	262,413.80	49.480	296,880.00	1.03	34,466.20	8,040.00	2.71
E M C CORP MASS COM (EMC)	5,000	61,591.55	21.540	107,700.00	.37	46,108.45	.00	.00
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	25.220	126,100.00	.44	-90,505.58	.00	.00
FREEPORT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	36.790	272,246.00	.95	114,072.87	7,400.00	2.72
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,645.81	5.150	4,944.00	.02	-3,701.81	720.00	14.56
INTEL CORP COM (INTC)	4,000	69,792.87	24.250	97,000.00	.34	27,207.13	3,360.00	3.46
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	183.880	183,880.00	.64	89,826.15	3,000.00	1.63
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	65.580	196,740.00	.68	150,255.44	6,840.00	3.48
ORACLE CORP COM (ORCL)	10,000	154,869.67	25.650	256,500.00	.89	101,630.33	2,400.00	.94
PFIZER INC COM (PFE)	3,940	65,580.40	21.640	85,261.60	.30	19,681.20	3,467.20	4.07
PRAXAIR INC COM (PX)	5,000	153,289.40	106.900	534,500.00	1.86	381,210.60	10,000.00	1.87
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	66.710	266,840.00	.93	36,619.53	8,400.00	3.15

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	40.360	242,160.00	.84	54,132.00	4,710.00	1.94
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	27.050	270,500.00	.94	-50,920.73	5,000.00	1.85
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	40.120	160,480.00	.56	29,680.36	8,000.00	4.99
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	21.820	196,380.00	.68	-3,083.71	9,900.00	5.04
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	53.420	213,680.00	.74	-99,774.47	2,880.00	1.35
TOTAL STOCK		2,996,615.24		3,978,466.60		981,851.36	92,807.20	2.33

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	8.830	134,478.60	.47	37,978.60	1,568.66	1.17
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	7.400	75,492.17	.26	2,992.17	1,418.03	1.88
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,516.052	47,000.00	29.240	44,329.36	.15	-2,670.64	1,150.68	2.60
DODGE & COX STK FD COM (DODGX_E)	7,047.926	850,773.45	101.640	716,351.20	2.49	-134,422.25	12,362.06	1.73
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,181.310	835,330.04	67.460	889,211.17	3.09	53,881.13	461.35	.05
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	10,942.188	794,179.48	80.890	885,113.59	3.07	90,934.11	.00	.00

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,052.675	1,603,018.33	35.730	1,574,002.08	5.46	-29,016.25	12,246.64	.78
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,088.653	280,639.77	41.630	378,360.62	1.31	97,720.85	590.76	.16
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	186,639.77	52.730	263,608.24	.92	76,968.47	.00	.00
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	51,337.312	1,569,258.71	33.810	1,735,714.52	6.03	166,455.81	19,610.85	1.13
VANGUARD INTL EQUITY INDEX FEUROPEAN PTF #79 (VEURX_E)	12,314.207	411,665.02	22.160	272,882.83	.95	-138,782.19	12,400.41	4.54
VANGUARD INTL EQUITY INDEX FPACIFIC PTF #72 (VPACX_E)	35,951.049	411,665.02	9.060	325,716.50	1.13	-85,948.52	11,863.85	3.64
VANGUARD INTL EQUITY INDEX F EMERGNG MKT PT #533 (VEIEX)	31,269.268	870,330.04	24.110	753,902.05	2.62	-116,427.99	13,570.86	1.80
VANGUARD SMALL CAP GROWTH INDEX FUND #861 (VISGX_E)	82,031.672	1,446,657.51	21.490	1,762,860.63	6.12	316,203.12	6,972.69	.40
VANGUARD WORLD FD INTL GRTH PTF (VWIGX_E)	2,717.774	47,000.00	16.350	44,435.60	.15	-2,564.40	907.74	2.04
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VIFSX_E)	65,040.935	6,344,261.00	95.650	6,221,165.43	21.59	-123,095.57	128,455.85	2.06
TOTAL MUTUAL FUND EQUITIES		15,867,418.14		16,077,624.59		210,206.45	223,580.43	1.39
TOTAL ASSETS		27,570,800.34		28,808,502.17		1,237,701.83	530,500.80	1.84

See independent auditors' report.

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2011

EIN #75-0755367
PN #001

(a) IDENTITY OF PARTY INVOLVED	(b) DESCRIPTION OF ASSET (INCLUDE INTEREST RATE AND MATURITY IN CASE OF A LOAN)	(c) PURCHASE PRICE	(d) SELLING PRICE	(e) LEASE RENTAL	(f) EXPENSE INCURRED WITH TRANSACTION	(g) COST OF ASSET	(h) CURRENT VALUE OF ASSET ON TRANSACTION DATE	(i) NET GAIN OR (LOSS)
Federated Government Obligations Trust	Short-Term Money Market Fund	\$ 11 175 899	N/A	N/A	N/A	\$ 11 175 899	\$ 11 175 899	N/A
Federal Home Loan Bank	U.S. Government Agency Security	\$ 1 948 860	N/A	N/A	N/A	\$ 1 948 860	\$ 1 948 860	N/A
Federal Home Loan Mortgage Corporation	U.S. Government Agency Security	\$ 2 151 148	N/A	N/A	N/A	\$ 2 151 148	\$ 2 151 148	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	\$ 11 226 755	N/A	N/A	\$ 11 226 755	\$ 11 226 755	N/A
Federal Home Loan Bank	U.S. Government Agency Security	N/A	\$ 3 655 525	N/A	N/A	\$ 3 632 443	\$ 3 655 525	\$ 23 082
Federal Home Loan Mortgage Corporation	U.S. Government Agency Security	N/A	\$ 2 050 000	N/A	N/A	\$ 2 035 134	\$ 2 050 000	\$ 14 866

See independent auditors' report.

Schedule SB, Line 32 – Schedule of Amortization Bases

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas
 EIN/PN: 75-0755367/001
 Plan Sponsor: Memorial Health System of East Texas

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2011	(414,021)	7	(414,021)	(68,119)
2	Shortfall	01/01/2010	2,243,473	6	2,019,161	374,945
3	Shortfall	01/01/2009	1,032,151	5	857,079	184,366
4	Shortfall	01/01/2008	4,989,626	4	3,160,215	834,552
Total					5,622,434	1,325,744

Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Effective Date and Most Recent Amendment

The plan was originally effective May 1, 1976. The plan was amended and restated effective January 1, 2007.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Participation is limited to participants in the plan as of December 31, 2003. All employees prior to December 31, 2003, were eligible to participate under the plan after one year of service. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Note: If an employee meets the age requirement, but fails to complete 1,000 hours during the first year, participation will begin on the January 1 following the plan year in which 1,000 hours are completed.

Benefit Accrual Preservation Date

December 31, 2003. The plan was frozen to participation and benefit accruals after December 31, 2003.

Credited Service

The number of years and completed months of service from date of hire to the Benefit Accrual Preservation Date, adjusted for certain periods of unpaid absence.

Vesting Service

Total service from date of hire to date of termination, less any absence in excess of 12 months.

Final Average Monthly Compensation

The monthly average of the five consecutive years' compensation out of the last fifteen years at the earlier of the date of termination or the Benefit Accrual Preservation Date that gives the highest average. Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or Section 401(k) plan. Compensation is limited to the pay limit as described in IRC Section 401(a)(17). The limit at Benefit Accrual Preservation Date is \$200,000.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under social security. The MTW is the annual limit on wages subject to the FICA tax for social security. The 35-year period ends with the year the employee reaches eligibility for an unreduced social security benefit (age 65, 66, or 67 depending on the year the employee was born). For years after the Benefit Accrual Preservation Date (2003) and prior to the end of the 35-year period, the MTW from the Benefit Accrual Preservation Date (2003) is used.

Normal Retirement Benefit

1. Normal Retirement Date: Age 65.
2. Monthly Benefit: The sum of A and B:
 - A. 1.30% of Final Average Monthly Compensation times Credited Service up to 40 years

plus
 - B. 0.65% of Final Average Monthly Compensation in excess of Monthly Covered Compensation times Credited Service up to 35 years.
3. Normal Form of Retirement Income: Life only.

Late Retirement

For employees who accrue less than 40 hours of service in any calendar month and whose retirement occurs after the Normal Retirement Date, the late retirement income will be based on the greater of 1 and 2:

1. The Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date, if earlier than the Late Retirement Date.
2. The income provided on an actuarially equivalent basis by the single-sum value of the retirement income payable as of Normal Retirement Date if earlier than the Benefit Accrual Preservation Date and if employment had then terminated, accumulated with interest to the later of the Benefit Accrual Preservation Date or the Annuity Starting Date.

All other employees who retire after the Normal Retirement Date will receive a Late Retirement Income equal to the Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date if earlier than the Late Retirement Date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Accrued Benefit

The Participant's Accrued Benefit at any given date is the Normal Retirement Benefit, based on the formulas above, the product of (a) the Final Average Monthly Compensation and Monthly Covered Compensation determined as of the earlier of date of termination or the Benefit Accrual Preservation Date times (b) the ratio of Credited Service at the earlier of Date of Termination or Benefit Accrual Preservation Date to Credited Service at Normal Retirement Date.

The Accrued Benefit was frozen for all participants as of December 31, 2003.

Early Retirement Benefit

1. Eligibility: Age 55 and 15 years of vesting service.
2. Monthly Benefit: The sum of A and B:
 - A. 1.30% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date times Credited Service at the Benefit Accrual Preservation Date up to 40 years multiplied by the appropriate Factor A reduction as shown below.

plus

- B. 0.65% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date in excess of Monthly Covered Compensation times Credited Service at the Benefit Accrual Preservation Date up to 35 years multiplied by the appropriate Factor B reduction as shown below.

Age	Factor A*	Factor B
65	100.0%	100.0%
64	98.0%	93.3%
63	96.0%	86.7%
62	94.0%	80.0%
61	92.0%	73.3%
60	90.0%	66.7%
59	84.0%	63.3%
58	78.0%	60.0%
57	72.0%	56.7%
56	66.0%	53.3%
55	60.0%	50.0%

* 100% if the participant has both attained age 60 and completed 30 years of Credited Service at the Benefit Accrual Preservation Date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Disability Benefit

1. Eligibility: Total and permanent disability of participant prior to Normal Retirement Date and 2 years of Vesting Service.
2. Monthly Benefit: The monthly income that can be provided by the greater of A and B, but not less than C if eligible for Early Retirement Benefit as of the Date of Termination of service due to disability:
 - A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.
 - B. A multiple of the Final Average Monthly Compensation as of the Benefit Accrual Preservation Date. If the employee is at least age 45 and has completed 15 years of service, the multiple is 30; otherwise, the multiple is 12.
 - C. The Monthly Early Retirement Benefit payable at the Disability Retirement Date.

This income is payable for life only.

The monthly benefit may not be greater than the retirement income the participant would receive if he remained in active employment at his rate of pay at the Benefit Accrual Preservation Date and retired.

3. Waiting Period: Benefits will not commence until the employee has been disabled for six months and has filed a request for disability benefits with the employer.

Vested Benefits Up on Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Termination Benefit: The termination benefit is equal to the vested Accrued Benefit, payable in the normal form, commencing at Normal Retirement Date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to Normal Retirement Date. The participant may also elect to receive an actuarially reduced benefit in order to provide a death benefit for the period between termination and the date retirement payments commence. Such death benefit is equal to the actuarial present value of the deferred accrued benefit, determined as of the Benefit Accrual Preservation Date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Death Benefits for Participants in Active Service

1. Eligibility: Two years of Vesting Service or after initial vesting date.
2. Benefit: The participant's beneficiary will receive an income payable for 10 years certain and life (other optional forms are available) that can be provided by the greater of A or B below:
 - A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.
 - B. The smaller of (1) or (2) below:
 - (1) A multiple of the Final Average Monthly Compensation. If the employee is at least 45 and has completed 15 years of Vesting Service, the multiple is 30. Otherwise, the multiple is 12.
 - (2) 100 times the Monthly Retirement Income the participant accrued as of the Benefit Accrual Preservation Date.

If death occurs after normal retirement but prior to actual retirement, the participant's beneficiary will receive a benefit equal in value to the Late Retirement Benefit described above that the participant would have received had he retired as of his date of death.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 7.0% interest rate and the UP-1984 Mortality Table (set back 3 years for joint annuitants and beneficiaries). Lump-sum distributions are allowed, but only if the lump sum is less than \$5,000.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Special Provisions for Top-Heavy Plans

The plan is top heavy in any plan year that the value of accrued benefits for "Key Employees" (as defined in the Internal Revenue Code) is 60% or more of the total value of accrued benefits under the plan.

Vesting: For years that the plan is top heavy the minimum vesting percentage is equal to 20% after two years of vesting service, increasing by 20% per year until it is 100% after six years of vesting service.

Minimum Accrued Benefit: There is a minimum accrued benefit equal to 2% of five-year-average pay times the number of years of service after January 1, 1984, that the plan is top heavy, up to a maximum of ten years.

The plan is not currently top heavy.

Minimum Benefit

1. Eligibility: The employee must have been an active participant in the plan as of December 31, 1992.
2. Minimum Accrued Benefit: The participant's Monthly Accrued Benefit shall not be less than that which was accrued as of December 31, 1992, under the terms of the plan in effect on that date.

Special Provisions for Former Polk County Memorial Hospital Participants

1. Eligibility: The employee must have been hired before July 1, 1994.
2. Participation: The later of A and B:
 - A. July 1, 1994
 - B. Completion of at least 1,000 Hours of Service
3. Vesting Service: Vesting Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.
4. Credited Service: Credited Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 1, 1996 and performed housekeeping or food service functions for MHSET, and were subsequently employed by Marriott Management Services, Healthcare Services Division.
2. These employees are 100% Vested as of December 1, 1996.

Special Provisions for Former Memorial Center – San Augustine

1. Eligibility: The employee must have been employed with Memorial Medical Center – San Augustine as of July 1, 1996.
2. Participation: If the employee has not previously terminated service with Memorial Medical Center – San Augustine, participation begins with the employee's original hire date at that facility. If the employee has terminated service with San Augustine, participation begins with the employee's hire date at MHSET.
3. Vesting Service: Vesting Service at Memorial Health System of East Texas (MHSET) shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.
4. Credited Service: Credited Service at MHSET shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 31, 1997 and were employed in the Medical Records Department of the Medical Transcription Department, and were subsequently employed by Transcend Services, Inc.
2. These employees are 100% Vested as of December 31, 1997.

Changes in Plan Provisions Since Last Actuarial Valuation

None.

Schedule SB, Line 26 – Schedule of Active Participant Data

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Participant Count and Average Compensation¹

Attained Age	Years of Credited Service															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0	
25 - 29	0		9		0		0		0		0		0		0	
30 - 34	0		17		6		0		0		0		0		0	
35 - 39	0		26		15		1		0		0		0		0	
40 - 44	0		25		19		8		2		0		0		0	
45 - 49	0		19		17		14		7		5		0		0	
50 - 54	0		26		23		10		9		14		3		0	
55 - 59	0		15		19		13		5		12		5		2	
60 - 64	0		10		7		8		8		2		3		2	
65 - 69	0		4		5		1		1		2		1		2	
70 & Over	0		2		1		2		0		1		0		0	

¹ Note: Compensation is not applicable since plan was frozen effective December 31, 2003. Credited service is as of December 31, 2003, the plan's freeze date.

Schedule SB Line 25 – Change in Method

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

The applicable month used to determine the funding target was changed from a January lookback to a September lookback.

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

▶ Round off amounts to nearest dollar.

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

A Name of plan Ret Plan for Ees of Memorial Health System of East Texas	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Memorial Health System of East Texas	D Employer Identification Number (EIN) 75-0755367
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		28,914,130
b Actuarial value	2b		28,914,130
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	285	15,375,031
b For terminated vested participants	3b	488	8,304,006
c For active participants:			
(1) Non-vested benefits.....	3c(1)		4,875,321
(2) Vested benefits.....	3c(2)		5,982,206
(3) Total active.....	3c(3)	409	10,857,527
d Total.....	3d	1,182	34,536,564
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.31 %
6 Target normal cost	6		212,000

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

SIGN HERE	Richard B. Mallett <i>RBM</i> Signature of actuary	<u>October 10, 2012</u> Date 11-04026 Most recent enrollment number (214) 530-4200 Telephone number (including area code)
Richard B. Mallett Type or print name of actuary Towers Watson Delaware Inc. 500 N. Akard Street, Suite ^{Firm name} 4100 Dallas TX 75201 Address of the firm		

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

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>13.42%</u>		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year).....		456
b Interest on (a) using prior year's effective rate of <u>6.60%</u> except as otherwise provided (see instructions).....		30
c Total available at beginning of current plan year to add to prefunding balance.....		486
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	83.72 %
15 Adjusted funding target attainment percentage.....	15	83.72 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	78.36 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/24/2011	135,000		07/15/2011	165,000	
02/23/2011	135,000		08/22/2011	165,000	
03/21/2011	135,000		09/26/2011	165,000	
04/25/2011	133,200		10/14/2011	170,000	
05/20/2011	135,000		11/21/2011	170,000	
06/21/2011	135,000		12/22/2011	170,000	
Totals •			18(b)	1,813,200	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	1,754,309

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

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

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	212,000	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	5,622,434		1,325,744
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1,537,744	
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0	0
36 Additional cash requirement (line 34 minus line 35)	36	1,537,744	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1,754,309	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	216,565	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2011

EIN #75-0755367
PN #001

(a) IDENTITY OF PARTY INVOLVED	(b) DESCRIPTION OF ASSET (INCLUDE INTEREST RATE AND MATURITY IN CASE OF A LOAN)	(c) PURCHASE PRICE	(d) SELLING PRICE	(e) LEASE RENTAL	(f) EXPENSE INCURRED WITH TRANSACTION	(g) COST OF ASSET	(h) CURRENT VALUE OF ASSET ON TRANSACTION DATE	(i) NET GAIN OR (LOSS)
Federated Government Obligations Trust	Short-Term Money Market Fund	\$ 11 175 899	N/A	N/A	N/A	\$ 11 175 899	\$ 11 175 899	N/A
Federal Home Loan Bank	U.S. Government Agency Security	\$ 1 948 860	N/A	N/A	N/A	\$ 1 948 860	\$ 1 948 860	N/A
Federal Home Loan Mortgage Corporation	U.S. Government Agency Security	\$ 2 151 148	N/A	N/A	N/A	\$ 2 151 148	\$ 2 151 148	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	\$ 11 226 755	N/A	N/A	\$ 11 226 755	\$ 11 226 755	N/A
Federal Home Loan Bank	U.S. Government Agency Security	N/A	\$ 3 655 525	N/A	N/A	\$ 3 632 443	\$ 3 655 525	\$ 23 082
Federal Home Loan Mortgage Corporation	U.S. Government Agency Security	N/A	\$ 2 050 000	N/A	N/A	\$ 2 035 134	\$ 2 050 000	\$ 14 866

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Short-Term Money Market Funds	Various, see attached	\$ 616 629	\$ 616 629
	Certificates of Deposit	Various, see attached	1 977 775	1 971 289
	U. S. Government Bonds and Agency Securities	Various, see attached	3 636 680	3 707 637
	Corporate Stocks	Various, see attached	2 996 615	3 978 466
	Mutual Funds	Various, see attached	<u>18 337 268</u>	<u>18 528 648</u>
	TOTAL		<u>\$ 27 564 967</u>	<u>\$ 28 802 669</u>

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
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CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		5,833.08		5,833.08	.02			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRIN	616,628.970	616,628.97	1.000	616,628.97	2.14	.00	61.66	.01
TOTAL CASH EQUIVALENTS		622,462.05		622,462.05		.00	61.66	.01

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	99.850	24,962.50	.09	-37.50	337.50	1.35
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	99.717	249,292.50	.87	-707.50	3,500.00	1.40
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	99.091	198,182.00	.69	-1,818.00	4,000.00	2.02
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	99.395	198,790.00	.69	-1,210.00	4,200.00	2.11
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	99.834	199,668.00	.69	-332.00	4,300.00	2.15
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	99.375	52,668.75	.18	-331.25	954.00	1.81
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	99.854	144,788.30	.50	-211.70	2,102.50	1.45
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	100.057	105,059.85	.36	59.85	1,575.00	1.50
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	99.833	199,666.00	.69	-334.00	4,000.00	2.00

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
KANSAS ST BK CD 1.50% DUE 10/31/2016	200,000	199,999.99	99.726	199,452.00	.69	-547.99	3,000.00	1.50
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	99.686	149,529.00	.52	-246.00	1,500.00	1.00
WESTER ST BANK 1.50% DUE 10/28/16	250,000	250,000.00	99.692	249,230.00	.87	-770.00	3,750.00	1.50
TOTAL BANK CD'S		1,977,774.99		1,971,288.90		-6,486.09	33,219.00	1.69

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FEDERAL HOME LOAN BANK 3.25% DUE 3/19/2012	200,000	199,620.00	100.573	201,146.00	.70	1,526.00	6,500.00	3.23
FREDDIE MAC 5.125% DUE 7/15/12	200,000	196,880.00	102.698	205,396.00	.71	8,516.00	10,250.00	4.99
FEDERAL HOME LOAN BANK 4.50% DUE 09/14/2012	200,000	196,140.00	102.912	205,824.00	.71	9,684.00	9,000.00	4.37
FANNIE MAE 4.00% DUE 1/28/2013	200,000	199,836.00	103.864	207,728.00	.72	7,892.00	8,000.00	3.85
FED FARM CREDIT 3.70% DUE 5/15/2013	200,000	195,583.42	104.591	209,182.00	.73	13,598.58	7,400.00	3.54
FREDDIE MAC 4.25% DUE 5/22/2013	200,000	196,607.90	105.402	210,804.00	.73	14,196.10	8,500.00	4.03

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FEDERAL HOME LOAN BANK 3.75% DUE 6/14/2013	200,000	199,972.66	104.811	209,622.00	.73	9,649.34	7,500.00	3.58
FREDDIE MAC 1.00% DUE 8/28/2014	200,000	200,000.00	100.074	200,148.00	.69	148.00	2,000.00	1.00
FHLMC 1.27% DUE 1/26/15	250,000	250,812.50	100.369	250,922.50	.87	110.00	3,175.00	1.27
FED FARM CREDIT BANK 1.93% DUE 5/13/2015	100,000	100,877.24	101.104	101,104.00	.35	226.76	1,930.00	1.91
FHLMC 1.55% DUE 07/06/15	100,000	100,350.00	100.009	100,009.00	.35	-341.00	1,550.00	1.55
FANNIE MAE 2.00% DUE 11/23/2015	150,000	150,000.00	100.642	150,963.00	.52	963.00	3,000.00	1.99
FANNIE MAE 1.10% DUE 11/25/2015	500,000	500,000.00	100.179	500,895.00	1.74	895.00	5,500.00	1.10
TOTAL MATURITY (0-5 YRS)		2,686,679.72		2,753,743.50		67,063.78	74,305.00	2.70
MATURITY (5-10 YRS)								
FREDDIE MAC 2.02% DUE 02/17/2017	100,000	100,000.00	100.171	100,171.00	.35	171.00	2,020.00	2.02
FED FARM CREDIT 3.00% DUE 3/30/2017	500,000	500,000.00	100.517	502,585.00	1.74	2,585.00	15,000.00	2.98
FREDDIENOTES MULTI STEP 2.00% DUE 3/15/2019	350,000	350,000.00	100.325	351,137.50	1.22	1,137.50	7,000.00	1.99
TOTAL MATURITY (5-10 YRS)		950,000.00		953,893.50		3,893.50	24,020.00	2.52

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TOTAL U.S. GOVT AGENCIES		3,636,679.72		3,707,637.00		70,957.28	98,325.00	2.65
TOTAL BONDS & NOTES		3,636,679.72		3,707,637.00		70,957.28	98,325.00	2.65

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	21,558.570	288,000.00	13.300	286,728.98	1.00	-1,271.02	12,396.18	4.32
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	9.000	3,440.47	.01	-424.32	146.03	4.24
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	94,953.628	1,083,350.93	11.570	1,098,613.48	3.81	15,262.55	40,450.25	3.68
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX)	14,434.302	177,634.48	10.370	149,683.71	.52	-27,950.77	6,293.36	4.20
USAA SHORT TERM BOND FUND (USSBX)	13,637.358	125,000.00	9.140	124,645.45	.43	-354.55	3,613.90	2.90
VANGUARD BD INDEX FD INC COM FD #84 (VBMFX_E)	20,008.376	216,000.00	11.000	220,092.14	.76	4,092.14	6,762.83	3.07
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	21,124.258	216,000.00	9.990	211,031.34	.73	-4,968.66	9,125.68	4.32
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.840	356,787.46	1.24	-3,212.54	3,719.28	1.04
TOTAL MUTUAL FUND BONDS		2,469,850.20		2,451,023.03		-18,827.17	82,507.51	3.37

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	28.270	169,620.00	.59	84,174.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	54.010	297,055.00	1.03	60,772.46	8,690.00	2.93
BAXTER INTL INC COM (BAX)	6,000	262,413.80	49.480	296,880.00	1.03	34,466.20	8,040.00	2.71
E M C CORP MASS COM (EMC)	5,000	61,591.55	21.540	107,700.00	.37	46,108.45	.00	.00
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	25.220	126,100.00	.44	-90,505.58	.00	.00
FREEPORT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	36.790	272,246.00	.95	114,072.87	7,400.00	2.72
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,645.81	5.150	4,944.00	.02	-3,701.81	720.00	14.56
INTEL CORP COM (INTC)	4,000	69,792.87	24.250	97,000.00	.34	27,207.13	3,360.00	3.46
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	183.880	183,880.00	.64	89,826.15	3,000.00	1.63
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	65.580	196,740.00	.68	150,255.44	6,840.00	3.48
ORACLE CORP COM (ORCL)	10,000	154,869.67	25.650	256,500.00	.89	101,630.33	2,400.00	.94
PFIZER INC COM (PFE)	3,940	65,580.40	21.640	85,261.60	.30	19,681.20	3,467.20	4.07
PRAXAIR INC COM (PX)	5,000	153,289.40	106.900	534,500.00	1.86	381,210.60	10,000.00	1.87
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	66.710	266,840.00	.93	36,619.53	8,400.00	3.15

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	40.360	242,160.00	.84	54,132.00	4,710.00	1.94
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	27.050	270,500.00	.94	-50,920.73	5,000.00	1.85
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	40.120	160,480.00	.56	29,680.36	8,000.00	4.99
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	21.820	196,380.00	.68	-3,083.71	9,900.00	5.04
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	53.420	213,680.00	.74	-99,774.47	2,880.00	1.35
TOTAL STOCK		2,996,615.24		3,978,466.60		981,851.36	92,807.20	2.33

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	8.830	134,478.60	.47	37,978.60	1,568.66	1.17
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	7.400	75,492.17	.26	2,992.17	1,418.03	1.88
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,516.052	47,000.00	29.240	44,329.36	.15	-2,670.64	1,150.68	2.60
DODGE & COX STK FD COM (DODGX_E)	7,047.926	850,773.45	101.640	716,351.20	2.49	-134,422.25	12,362.06	1.73
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,181.310	835,330.04	67.460	889,211.17	3.09	53,881.13	461.35	.05
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	10,942.188	794,179.48	80.890	885,113.59	3.07	90,934.11	.00	.00

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2011

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,052.675	1,603,018.33	35.730	1,574,002.08	5.46	-29,016.25	12,246.64	.78
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,088.653	280,639.77	41.630	378,360.62	1.31	97,720.85	590.76	.16
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	186,639.77	52.730	263,608.24	.92	76,968.47	.00	.00
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	51,337.312	1,569,258.71	33.810	1,735,714.52	6.03	166,455.81	19,610.85	1.13
VANGUARD INTL EQUITY INDEX FEUROPEAN PTF #79 (VEURX_E)	12,314.207	411,665.02	22.160	272,882.83	.95	-138,782.19	12,400.41	4.54
VANGUARD INTL EQUITY INDEX FPACIFIC PTF #72 (VPACX_E)	35,951.049	411,665.02	9.060	325,716.50	1.13	-85,948.52	11,863.85	3.64
VANGUARD INTL EQUITY INDEX F EMERGNG MKT PT #533 (VEIEX)	31,269.268	870,330.04	24.110	753,902.05	2.62	-116,427.99	13,570.86	1.80
VANGUARD SMALL CAP GROWTH INDEX FUND #861 (VISGX_E)	82,031.672	1,446,657.51	21.490	1,762,860.63	6.12	316,203.12	6,972.69	.40
VANGUARD WORLD FD INTL GRTH PTF (VWIGX_E)	2,717.774	47,000.00	16.350	44,435.60	.15	-2,564.40	907.74	2.04
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VIFSX_E)	65,040.935	6,344,261.00	95.650	6,221,165.43	21.59	-123,095.57	128,455.85	2.06
TOTAL MUTUAL FUND EQUITIES		15,867,418.14		16,077,624.59		210,206.45	223,580.43	1.39
TOTAL ASSETS		27,570,800.34		28,808,502.17		1,237,701.83	530,500.80	1.84

See independent auditors' report.