

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>BANNER PHARMACAPS, INC. 401K PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1990</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1990</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/1990</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>BANNER PHARMACAPS, INC.</u> <u>4125 PREMIER DRIVE</u> <u>P O BOX 2210</u> <u>HIGH POINT, NC 27261</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-2757595</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>336-812-8700</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325410</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-2757595</u>	2c Sponsor's telephone number <u>336-812-8700</u>	2d Business code (see instructions) <u>325410</u>	
2b Employer Identification Number (EIN) <u>95-2757595</u>					
2c Sponsor's telephone number <u>336-812-8700</u>					
2d Business code (see instructions) <u>325410</u>					

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

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

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

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BANNER PHARMACAPS, INC. 4125 PREMIER DRIVE P O BOX 2210 HIGH POINT, NC 27261	3b Administrator's EIN 95-2757595 3c Administrator's telephone number 336-812-8700
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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	760
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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	661
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	128
d Subtotal. Add lines 6a , 6b , and 6c	6d	789
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	789
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	538
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

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:

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

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan BANNER PHARMACAPS, INC. 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BANNER PHARMACAPS, INC.	D Employer Identification Number (EIN) 95-2757595	

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

(a) Name of insurance carrier
ING LIFE INSURANCE & ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
71-0294708	86509	PHZ271	789	01/01/2011	12/31/2011

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 7743227**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING**b** Balance at the end of the previous year **7b** 7129798**c** Additions: (1) Contributions deposited during the year **7c(1)** 561165(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 216493(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)** 407394

▶ *

(6) Total additions **7c(6)** 1185052**d** Total of balance and additions (add **b** and **c(6)**). **7d** 8314850**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 484028(2) Administration charge made by carrier **7e(2)** 773(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 86822

▶ *

(5) Total deductions **7e(5)** 571623**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 7743227

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) 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>BANNER PHARMACAPS, INC. 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BANNER PHARMACAPS, INC.</u>	D Employer Identification Number (EIN) <u>95-2757595</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)

ING LIFE INSURANCE AND ANNUITY CO.

71-0294708

(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?
60 64 65 72	SERVICE PROVIDER	5150	Yes ☒ No ☐	Yes ☒ No ☐	107086	Yes ☐ No ☒

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

ING MUTUAL FUNDS

95-4516049

(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?
28 52 63	INVESTMENT PROD. PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	104058	Yes ☐ No ☒

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

LPL FINANCIAL

95-2834236

(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?
49 99	SERVICE PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	60601	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)

AMERICAN FUNDS

95-1411037

(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?
28 52 63	INVESTMENT PROD. PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	53362	Yes ☐ No ☒

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

ING FINANCIAL ADVISERS, LLC

06-1375177

(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?
63	BROKER/DEALER	0	Yes ☒ No ☐	Yes ☐ No ☒	35220	Yes ☐ No ☒

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

RIDGEWORTH FUNDS

58-1604573

(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?
28 52 63	INVESTMENT PROD. PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	8229	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)

EATON VANCE FUNDS

04-2718215

(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?
28 52 63	INVESTMENT PROD. PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	6873	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
AMERICAN FUNDS	28 52 63	4361

(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.
AMERICAN FUNDS AM BALANCD R3 94-6050854	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN FUNDS	28 52 63	12618

(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.
AMERICAN FUNDS EUROPACIFIC R3 95-1411037	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN FUNDS	28 52 63	6156

(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.
AMERICAN FUNDS FDMNTL INV R3 22-1557722	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

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
AMERICAN FUNDS	28 52 63	17030

(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.	
AMERICAN FUNDS GROWTH FND R3 52-0792143	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN FUNDS	28 52 63	13197

(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.	
AMERICAN FUNDS WASH MTUAL R3 66-0793788	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
EATON VANCE FUNDS	28 52 63	6873

(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.	
EATON VANCE LARGE-CAP VALUE FUND R 04-6006714	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	

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
ING FINANCIAL ADVISERS, LLC	63	2248
(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.	
AMERICAN FUNDS AM BALANCD R3 94-6050854	12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING FINANCIAL ADVISERS, LLC	63	5520
(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.	
AMERICAN FUNDS EUROPACIFIC R3 95-1411037	12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING FINANCIAL ADVISERS, LLC	63	3176
(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.	
AMERICAN FUNDS FDMNTL INV R3 22-1557722	12B-1 DISTRIBUTION FEES	

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
ING FINANCIAL ADVISERS, LLC	63	8763
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
AMERICAN FUNDS GROWTH FND R3 52-0792143	12B-1 DISTRIBUTION FEES	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
ING FINANCIAL ADVISERS, LLC	63	6562
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
AMERICAN FUNDS WASH MTUAL R3 66-0793788	12B-1 DISTRIBUTION FEES	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
ING FINANCIAL ADVISERS, LLC	63	2725
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
EATON VANCE LARGE-CAP VALUE FUND R 04-6006714	12B-1 DISTRIBUTION FEES	

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
ING FINANCIAL ADVISERS, LLC	63	1388
(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.	
ING GNMA INCOME FUND A 22-2013958	12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING FINANCIAL ADVISERS, LLC	63	1179
(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.	
ING JPMORGAN SM CP CORE EQ PRT ADV 02-0558352	12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING FINANCIAL ADVISERS, LLC	63	1050
(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.	
OPPENHEIMER MAIN ST SM & MD CP FD N 84-1501338	12B-1 DISTRIBUTION FEES	

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
ING FINANCIAL ADVISERS, LLC	63	1524
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>RIDGEWORTH MD CP VALUE EQUITY FND A</p> <p>23-3095663</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>12B-1 DISTRIBUTION FEES</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>ING LIFE INSURANCE AND ANNUITY CO.</p>		
<p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60</p>		
<p>(c) Enter amount of indirect compensation</p> <p style="text-align: right;">1656</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AMERICAN FUNDS EUROPACIFIC R3</p> <p>95-1411037</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SUB-TRANSFER/REIMBURSEMENT FEES</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>ING LIFE INSURANCE AND ANNUITY CO.</p>		
<p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60</p>		
<p>(c) Enter amount of indirect compensation</p> <p style="text-align: right;">2629</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AMERICAN FUNDS GROWTH FND R3</p> <p>52-0792143</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SUB-TRANSFER/REIMBURSEMENT FEES</p>		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60	1969
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AMERICAN FUNDS WASH MTUAL R3</p> <p>66-0793788</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SUB-TRANSFER/REIMBURSEMENT FEES</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>ING LIFE INSURANCE AND ANNUITY CO.</p>		
<p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60</p>		
<p>(c) Enter amount of indirect compensation</p> <p style="text-align: right;">1363</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>EATON VANCE LARGE-CAP VALUE FUND R</p> <p>04-6006714</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SUB-TRANSFER/REIMBURSEMENT FEES</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>ING LIFE INSURANCE AND ANNUITY CO.</p>		
<p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60 65</p>		
<p>(c) Enter amount of indirect compensation</p> <p style="text-align: right;">1164</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ING BARON SMALL CAP GRWTH PORT SRV</p> <p>75-3023525</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES</p>		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	64	37462
(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.	
ING FIXED ACCOUNT 71-0294708	RECORDKEEPING FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	8408
(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.	
ING FMR DIVERSIFIED MD CP PORT SRV 25-6725709	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	1775
(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.	
ING JPMORGAN SM CP CORE EQ PRT ADV 02-0558352	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	

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
ING LIFE INSURANCE AND ANNUITY CO.	60 65	6709
(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.	
ING OPPENHMR GLOBAL PORT SRV 75-3023503	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60	3271
(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.	
ING PIMCO TOTAL RETURN PORTFOLIO I 75-3023517	SUB-TRANSFER/REIMBURSEMENT FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	2324
(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.	
ING SOLUTION 2015 PORTFOLIO SRV 20-2456044	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	

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
ING LIFE INSURANCE AND ANNUITY CO.	60 65	5743
(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.	
ING SOLUTION 2025 PORTFOLIO SRV 47-0951928	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	6547
(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.	
ING SOLUTION 2035 PORTFOLIO SRV 20-2456104	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	3317
(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.	
ING SOLUTION 2045 PORTFOLIO SRV 20-2456138	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	

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
ING LIFE INSURANCE AND ANNUITY CO.	60 65	4236
(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.	
ING TROWPRICE CAPTL APPREC PT SRV 95-6895626	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60 65	5384
(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.	
ING TROWPRICE GRWTH EQTY PORT SRV 06-1496081	SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING LIFE INSURANCE AND ANNUITY CO.	60	4649
(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.	
ING U.S. STOCK INDEX PORTFOLIO INST 55-0839540	SUB-TRANSFER/REIMBURSEMENT FEES	

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
ING LIFE INSURANCE AND ANNUITY CO.	60	3048

(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.
RIDGEWORTH MD CP VALUE EQUITY FND A 23-3095663	SUB-TRANSFER/REIMBURSEMENT FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	2805

(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.
ING BARON SMALL CAP GRWTH PORT SRV 75-3023525	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	14360

(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.
ING FMR DIVERSIFIED MD CP PORT SRV 25-6725709	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

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
ING MUTUAL FUNDS	28 52 63	5191

(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.
ING GNMA INCOME FUND A 22-2013958	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 63	4999

(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.
ING JPMORGAN SM CP CORE EQ PRT ADV 02-0558352	INVESTMENT MANAGEMENT 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	10922

(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.
ING OPPENHMR GLOBAL PORT SRV 75-3023503	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

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
ING MUTUAL FUNDS	28 52	6440
(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.	
ING PIMCO TOTAL RETURN PORTFOLIO I 75-3023517	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	4163
(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.	
ING SOLUTION 2015 PORTFOLIO SRV 20-2456044	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	11024
(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.	
ING SOLUTION 2025 PORTFOLIO SRV 47-0951928	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	

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
ING MUTUAL FUNDS	28 52 63	13142
(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.	
ING SOLUTION 2035 PORTFOLIO SRV 20-2456104	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	6866
(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.	
ING SOLUTION 2045 PORTFOLIO SRV 20-2456138	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	1093
(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.	
ING SOLUTION INCOME PORTFOLIO SRV 20-2456008	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES	

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
ING MUTUAL FUNDS	28 52 63	7265

(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.
ING TROWEPRIE CAPTL APPREC PT SRV 95-6895626	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28 52 63	9632

(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.
ING TROWEPRIE GRWTH EQTY PORT SRV 06-1496081	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ING MUTUAL FUNDS	28	4619

(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.
ING U.S. STOCK INDEX PORTFOLIO INST 55-0839540	INVESTMENT MANAGEMENT

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
LPL FINANCIAL	99	48111

(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.
ING LIFE INSURANCE AND ANNUITY CO. 71-0294708	OTHER FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL	49	12490

(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.
ING LIFE INSURANCE AND ANNUITY COMP 71-0294708	OTHER SERVICES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
RIDGEWORTH FUNDS	28 52 63	8229

(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.
RIDGEWORTH MD CP VALUE EQUITY FND A 23-3095663	INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES

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>BANNER PHARMACAPS, INC. 401K PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BANNER PHARMACAPS, INC.</u>	D Employer Identification Number (EIN) <u>95-2757595</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)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	494722	492748
	(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)	18020679	18211267
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	7129798	7743227
	(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	25645199	26447242

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	25645199	26447242
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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)	991662	
(B) Participants	2a(1)(B)	2049009	
(C) Others (including rollovers)	2a(1)(C)	34021	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3074692
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	23985	
(F) Other	2b(1)(F)	216493	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		240478
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	475883	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		475883
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(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)		-1089592
c Other income.....	2c		212
d Total income. Add all income amounts in column (b) and enter total.....	2d		2701673

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1894480	
(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)		1894480
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5150	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5150
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1899630

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		802043
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: SMITH LEONARD PLLC

(2) EIN: 20-5907591

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		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5b(1) Name of plan(s)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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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>BANNER PHARMACAPS, INC. 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BANNER PHARMACAPS, INC.</u>	D Employer Identification Number (EIN) <u>95-2757595</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>71-0294708</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Independent Auditors' Report

Banner Pharmacaps Inc.
401(k) Plan
High Point, North Carolina

We were engaged to audit the financial statements of Banner Pharmacaps Inc. 401(k) Plan as of and for the years ended December 31, 2011 and 2010, and the supplemental schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by ING National Trust, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("DOL Reporting Rules"). The form and content of the information included in the financial statements and supplemental schedule, 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 DOL Reporting Rules.

October 10, 2012

Smith Leonard PLLC

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets
(Held at End of Year)
Banner Pharmacaps Inc 401(k) Plan
EIN#95-2757595
Plan#001
As Of December 31, 2011

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date	(d) Cost	(e) Current Value
AMERICAN FUNDS	American Funds EuroPacific R3		\$913,179
ING Life Insurance And Annuity Company	American Funds Fdmntl Inv R3		\$572,604
AMERICAN FUNDS	American Funds Growth Fnd R3		\$1,660,375
AMERICAN FUNDS	American Funds Wash Mtual R3		\$1,365,303
Eaton Vance Funds	Eaton Vance Lrg-Cap VI Fnd R		\$493,984
* ING Life Insurance And Annuity Company	ING Baron SmCp Grw Port Srv		\$202,597
* ING Life Insurance And Annuity Company	ING Columbia SmCp VI II P Srv		\$49,536
* ING Life Insurance And Annuity Company	ING Fixed Account		\$7,743,227
* ING Life Insurance And Annuity Company	ING FMR Divr MdCp Port Srv		\$1,324,259
* ING Life Insurance And Annuity Company	ING GNMA Income Fund A		\$729,397
* ING Life Insurance And Annuity Company	ING JPM SmCp Cr Eq Port Adv		\$488,890
* ING Life Insurance And Annuity Company	ING Oppenhrm Global Port Srv		\$1,085,033
* ING Life Insurance And Annuity Company	ING PIMCO Total Return Pt I		\$1,023,556
* ING Life Insurance And Annuity Company	ING Real Estate Fund		\$60,233
* ING Life Insurance And Annuity Company	ING Solution 2015 Port Srv		\$457,688
* ING Life Insurance And Annuity Company	ING Solution 2025 Port Srv		\$1,058,776
* ING Life Insurance And Annuity Company	ING Solution 2035 Port Srv		\$1,210,002
* ING Life Insurance And Annuity Company	ING Solution 2045 Port Srv		\$559,788
* ING Life Insurance And Annuity Company	ING Solution 2055 Port Srv		\$73,957
* ING Life Insurance And Annuity Company	ING Solution Inc Port Srv		\$127,313
* ING Life Insurance And Annuity Company	ING TRowePrc Grw Eqty Pt Srv		\$851,804
* ING Life Insurance And Annuity Company	ING TRwPr Cap Apprec Port Srv		\$1,300,708
* ING Life Insurance And Annuity Company	ING US Stock Index Port Ins		\$1,726,888
Pioneer Funds	Pioneer Strategic Income Fnd R		\$7,000
Ridge Worth Funds	RidgeWorth MdCp VI Eqty Fnd A		\$868,398
	Participant Loans - Rates 4.25% to 9.25%		\$492,748
	TOTAL		\$26,447,242

* denotes party-in-interest

Column (d) is not required as the Plan's investments are totally participant directed.

**Banner Pharmacaps Inc.
401(k) Plan**

**Financial Statements
and Supplemental Schedule**

Years Ended December 31, 2011 and 2010



SMITH LEONARD
Accountants & Consultants

**Banner Pharmacaps Inc.
401(k) Plan**

**Financial Statements
and Supplemental Schedule**

Years Ended December 31, 2011 and 2010

Banner Pharmacaps Inc. 401(k) Plan

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Independent Auditors' Report

Banner Pharmacaps Inc.
401(k) Plan
High Point, North Carolina

We were engaged to audit the financial statements of Banner Pharmacaps Inc. 401(k) Plan as of and for the years ended December 31, 2011 and 2010, and the supplemental schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by ING National Trust, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("DOL Reporting Rules"). The form and content of the information included in the financial statements and supplemental schedule, 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 DOL Reporting Rules.

October 10, 2012

Smith Leonard PLLC

Banner Pharmacaps Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2011	2010
Assets		
Investments, at fair value	\$ 26,561,486	\$ 25,227,279
Receivables:		
Employer contributions	181,829	22,978
Notes receivable from participants	492,748	494,722
Net assets available for benefits at fair value	27,236,063	25,744,979
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	(606,992)	(76,802)
Net assets available for benefits	\$ 26,629,071	\$ 25,668,177

See accompanying independent auditors' report and notes to financial statements.

Banner Pharmacaps Inc. 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

<i>Year ended December 31,</i>	2011	2010
Additions		
Investment income (loss):		
Interest and dividends	\$ 692,376	\$ 462,808
Net appreciation (depreciation) in value of investments	(1,089,380)	1,933,156
Total investment income (loss)	(397,004)	2,395,964
Interest income on notes receivable from participants	23,985	27,071
Contributions:		
Employee	2,049,009	1,887,575
Employer	1,150,513	905,161
Rollovers	34,021	349,384
Total additions	2,860,524	5,565,155
Deductions		
Benefits paid to participants	1,894,480	1,104,536
Administrative fees	5,150	4,700
Total deductions	1,899,630	1,109,236
Net increase	960,894	4,455,919
Net assets available for benefits – beginning of year	25,668,177	21,212,258
Net assets available for benefits – end of year	\$26,629,071	\$25,668,177

See accompanying independent auditors' report and notes to financial statements.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

- 1. Description of Plan** The following is a brief description of the Banner Pharmacaps Inc. 401(k) Plan (the “Plan”). Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General – The Plan is a defined contribution plan covering all eligible employees of Banner Pharmacaps Inc. (the “Company”). An employee is eligible to become a participant of the Plan on the first day of the month after the completion of three months of service and attainment of age 18 years or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Contributions – Eligible participants are entitled to contribute up to 20 percent of their annual compensation to the Plan on both a pre-tax and after-tax (“Roth”) basis. The deferral percentage cannot exceed the limitations imposed by the Internal Revenue Code (“IRC”). Participants who have attained age 50 are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants may also contribute up to 100% of bonuses. Company matching contributions for 2011 and 2010 were made under the Safe Harbor provision, which provides for matching contributions to the account of each eligible participant in an amount equal to the sum of 100% of the amount of the participant’s elective deferrals that do not exceed 3% of the participant’s compensation plus 50% of the amount of the participant’s deferrals between 3% and 5% compensation. The Company may also make discretionary profit sharing contributions to the Plan as determined by its Board of Directors. No discretionary profit sharing contributions were made in 2011 and 2010.

The Company has taken the necessary actions to correct an operational error related primarily to the treatment of incentive pay for purposes of calculating employee deferrals in accordance with the definition of compensation as defined by the Plan. The employer contribution receivable includes approximately \$114,000 related to this matter at December 31, 2011.

See accompanying independent auditors’ report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

1. **Description of Plan (Concluded)** **Participant Accounts** – Each participant account is credited with the participant’s contribution, employer matching contributions, the Company’s discretionary contributions, if any, plan earnings, and charged with an allocation of administrative expenses.

Vesting – Plan participants are 100 percent vested in all salary deferrals and the Company Safe Harbor matching contributions. Participants vest in Company profit sharing contributions according to the following schedule:

Completed Years of Service	Vested Percentage
Less than 1 year	50%
After 1 year	100%

Payment of Benefits – Upon termination of service due to death, disability, retirement or separation, a participant may elect to receive either a partial or lump-sum distribution or installment payments under various options. In-service distributions may be made to participants who have reached age 59½. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan.

Notes Receivable from Participants – Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The notes are secured by the balance in the participant’s account. Participants may only have one outstanding loan at any time. Notes are repaid ratably through payroll deductions.

Administrative Expenses – The Company absorbs substantially all expenses incidental to the administration of the Plan. Distribution and loan fees are paid from participant accounts.

Forfeitures – Forfeitures of terminated participants’ non-vested amounts are used to offset Company Safe Harbor matching contributions. Forfeitures of \$0 and \$19,988 were used to offset the Company’s Safe Harbor matching contributions in 2011 and 2010.

See accompanying independent auditors’ report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

2. Summary of Significant Accounting Policies

Basis of Accounting – The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

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

Investment Valuation and Income Recognition – Investments are primarily stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Certain investment contracts with ING National Trust ("ING") are included in the financial statements at contract value. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through ING. The statements of net assets available for benefits present the fair value of the investment in these contracts as well as the adjustment of the investment from fair value to contract values for these investment contracts. The statements of changes in net assets available for benefits are prepared on a contract value basis.

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

2. Summary of Significant Accounting Policies (Concluded)

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

Payment of Benefits – Benefits are recorded when paid.

Recent Accounting Pronouncement – In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS* (“ASU 2011-04”), which amends Accounting Standards Codification 820 (“ASC 820”). ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption is not expected to have a material effect on the statements of net assets available for benefits, statements of changes in net assets available for benefits or the disclosures in the financial statements.

See accompanying independent auditors’ report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

3. Investments

The values of investments that represent 5 percent or more of the Plan's net assets are as follows:

<i>December 31,</i>	2011	2010
At contract value:		
Fixed Account	\$ 7,743,227	\$ 7,129,798
At fair value:		
U.S. Stock Index Portfolio	1,726,888	1,674,039
The Growth Fund of America	1,660,375	1,733,320
Washington Mutual Fund	1,365,303	*
FMR Diversified Mid Cap Portfolio	1,324,259	1,785,951

* Less than 5%

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

<i>Year ended December 31,</i>	2011	2010
Mutual funds	\$ (1,089,380)	\$ 1,933,156

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

4. Information Certified by the Plan's Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

<i>December 31,</i>	2011	2010
Investments	\$ 25,954,494	\$ 25,150,477
Notes receivable from participants	492,748	494,722
<i>Year ended December 31,</i>	2011	2010
Interest and dividends	\$ 692,376	\$ 462,808
Net appreciation (depreciation) in value of investments	(1,089,380)	1,933,156
Interest income on notes receivable from participants	23,985	27,071

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

5. Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. 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 participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

- 6. Income Tax Status** The Plan has adopted a non-standardized plan document sponsored by ING. The Internal Revenue Service (“IRS”) has determined and informed ING by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter; however, the plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable provisions of the IRC.
- Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits relative to the Plan for any tax periods in progress. Certain federal tax returns from prior years are subject to examination by the IRS.
- 7. Plan Termination** Although it has not expressed any intent to do so, the Company has the right to discontinue the Plan at any time. In the event the Plan is terminated, each participant becomes fully vested and the net assets of the Plan will be allocated as prescribed by ERISA.
- 8. Transactions with Parties-In-Interest** Fees paid by the Plan to ING were \$5,150 and \$4,700 for 2011 and 2010. Plan investments include mutual funds and a group annuity contract managed by ING, which is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest.

See accompanying independent auditors’ report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

9. Investment Contracts

The Plan holds certain benefit-responsive investment contracts with ING. ING maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. ING is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 3 percent. Such interest rates are reviewed on a quarterly basis for resetting.

The crediting rates and average yields were as follows:

	2011	2010
Crediting rates	3.0%	3.0%
Average yield	3.0%	3.0%

Certain events limit the ability of the Plan to transact at contract value with the contract issuer. The plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with the participants, is probable.

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

10. Fair Value Measurements

The Plan has adopted ASC 820, “Fair Value Measurements and Disclosures” (“ASC 820”) which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under ASC 820 are as follows:

Basis of Fair Value Measurements

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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

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

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

See accompanying independent auditors’ report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

10. Fair Value Measurements (Continued)

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

The following table summarizes the investments by level as defined within the fair value hierarchy as of December 31, 2011.

	Investment Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Target date	\$ 3,360,211	\$ -	\$ -	\$ 3,360,211
Large growth	2,512,179	-	-	2,512,179
Large blend	2,299,492	-	-	2,299,492
Large value	1,859,287	-	-	1,859,287
Mid-cap growth	1,526,856	-	-	1,526,856
Moderate allocation	1,300,707	-	-	1,300,707
World stock	1,085,033	-	-	1,085,033
Intermediate-term bond	1,023,556	-	-	1,023,556
Foreign large blend	913,179	-	-	913,179
Mid-cap value	868,398	-	-	868,398
Intermediate government	729,397	-	-	729,397
Small blend	488,890	-	-	488,890
Retirement income	127,313	-	-	127,313
Real estate	60,233	-	-	60,233
Small value	49,536	-	-	49,536
Multisector bond	7,000	-	-	7,000
Group annuity contract	-	8,350,219	-	8,350,219
	\$18,211,267	\$8,350,219	\$ -	\$ 26,561,486

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

10. Fair Value Measurements (Concluded)

The following table summarizes the investments by level as defined within the fair value hierarchy as of December 31, 2010.

	Investment Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Target date	\$ 2,690,349	\$ -	\$ -	\$ 2,690,349
Large growth	2,678,275	-	-	2,678,275
Large blend	2,203,167	-	-	2,203,167
Mid-cap growth	1,881,875	-	-	1,881,875
Large value	1,729,024	-	-	1,729,024
Moderate allocation	1,281,462	-	-	1,281,462
Foreign large blend	1,175,645	-	-	1,175,645
Intermediate-term bond	1,170,785	-	-	1,170,785
World stock	1,097,444	-	-	1,097,444
Mid-cap value	907,479	-	-	907,479
Intermediate government	542,317	-	-	542,317
Small blend	532,646	-	-	532,646
Retirement income	98,465	-	-	98,465
Small value	31,746	-	-	31,746
Group annuity contract	-	7,206,600	-	7,206,600
	\$ 18,020,679	\$ 7,206,600	\$ -	\$ 25,227,279

11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

<i>December 31,</i>	2011	2010
Net assets available for benefits per financial statements	\$ 26,629,071	\$ 25,668,177
Contributions receivable	(181,829)	(22,978)
Net assets available for benefits per Form 5500	\$ 26,447,242	\$ 25,645,199

See accompanying independent auditors' report.

Banner Pharmacaps Inc. 401(k) Plan

Notes to Financial Statements

11. Reconciliation of Financial Statements to Form 5500 (Concluded)

The following is a reconciliation of additions per the financial statements to the Form 5500:

<i>Year ended December 31,</i>	2011
Additions per the financial statements	\$ 2,860,524
Employer contributions receivable, beginning of year	22,978
Employer contributions receivable, end of year	(181,829)
Additions per the Form 5500	\$ 2,701,673

12. Subsequent Events

Effective January 1, 2012, the Plan was amended to implement an automatic enrollment provision for employees hired after that date. Eligible employees will be automatically enrolled at a 3% deferral percentage which will increase by increments of 1% each January 1 up to a maximum of 6% unless the employee elects an alternative percentage or declines participation.

In addition, the Plan was amended to increase the permissible employee deferral percentage from 20% to 100%, subject to limitations imposed by the IRC.

Management has evaluated events occurring subsequent to the balance sheet date through October 10, 2012, the date that the financial statements were available to be issued determining no additional events require adjustment to or disclosure in the financial statements.

See accompanying independent auditors' report.

Banner Pharmacaps Inc.**401(k) Plan****EIN: 95-2757595****Plan: 001****Schedule H, Line 4i – Schedule of Assets (Held at End of Year) –
December 31, 2011**

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par or Maturity Date	(d) Cost	(e) Current Value
*	ING Retirement Funds	Fixed Account	**	\$ 7,743,227
*	ING Retirement Funds	U.S. Stock Index Portfolio	**	1,726,888
	American Funds	The Growth Fund of America	**	1,660,375
	American Funds	Washington Mutual Fund	**	1,365,303
	ING Retirement Funds	FMR Diversified Mid Cap Portfolio	**	1,324,259
*	ING Retirement Funds	T. Rowe Price Capital Appreciation Portfolio	**	1,300,707
*	ING Retirement Funds	Solution 2035 Portfolio	**	1,210,002
*	ING Retirement Funds	Oppenheimer Global Portfolio	**	1,085,033
*	ING Retirement Funds	Solution 2025 Portfolio	**	1,058,776
*	ING Retirement Funds	PIMCO Total Return Portfolio	**	1,023,556
	American Funds	EuroPacific Growth Fund	**	913,179
	Ridge Worth	Mid-Cap Value Equity Fund	**	868,398
*	ING Retirement Funds	T. Rowe Price Growth Equity Portfolio	**	851,804
*	ING Retirement Funds	GNMA Income Fund	**	729,397
	American Funds	Fundamental Investors	**	572,604
*	ING Retirement Funds	Solution 2045 Portfolio	**	559,788
	Franklin/Templeton Funds	Eaton Vance Large Cap Value Fund	**	493,984
*	ING Retirement Funds	JP Morgan Small Cap Core Equity Portfolio	**	488,890
*	ING Retirement Funds	Solution 2015 Portfolio	**	457,688
*	ING Retirement Funds	Baron Growth Portfolio	**	202,597
*	ING Retirement Funds	Solution Income Portfolio	**	127,313
*	ING Retirement Funds	Solution 2055 Portfolio	**	73,957
*	ING Retirement Funds	Real Estate Fund	**	60,233
*	ING Retirement Funds	Columbia Small Cap Value II Portfolio	**	49,536
	Pioneer Investments	Strategic Income Fund	**	7,000
*	ING Retirement Funds	Notes receivable from participants (4.25% to 9.25%)	**	492,748
				\$ 26,447,242

* - A party-in-interest as defined by ERISA.

** - The cost of participant-directed investments is not required to be disclosed.

See accompanying independent auditors' report.