

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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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>MAR-BAL, INC. PROFIT SHARING 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>004</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2008</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>004</u>	1c Effective date of plan <u>01/01/2008</u>	
1b Three-digit plan number (PN) ▶	<u>004</u>				
1c Effective date of plan <u>01/01/2008</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MAR-BAL, INC.</u> <u>10095 QUEENS WAY</u> <u>CHAGRIN FALLS, OH 44023</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>34-1059601</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>440-543-7526</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>326100</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-1059601</u>	2c Sponsor's telephone number <u>440-543-7526</u>	2d Business code (see instructions) <u>326100</u>	
2b Employer Identification Number (EIN) <u>34-1059601</u>					
2c Sponsor's telephone number <u>440-543-7526</u>					
2d Business code (see instructions) <u>326100</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.	10/14/2012	SCOTT J. BALOGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2012	SCOTT J. BALOGH
	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") MAR-BAL, INC. 10095 QUEENS WAY CHAGRIN FALLS, OH 44023	3b Administrator's EIN 34-1059601 3c Administrator's telephone number 440-543-7526
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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	246
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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	273
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	94
d Subtotal. Add lines 6a , 6b , and 6c	6d	367
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	2
f Total. Add lines 6d and 6e	6f	369
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	308
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:

2A 2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply) (1) ☐ 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) ☐ **A** (Insurance Information)
- (4) ☐ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan MAR-BAL, INC. PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 MAR-BAL, INC.	D Employer Identification Number (EIN) 34-1059601	

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)		229457
	(2) Participant contributions	1b(2)		2972
	(3) Other	1b(3)		206
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)		125132
	(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)	28640	5291150
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	28640	5648917

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	28640	5648917
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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)	228416	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		228416
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)	154	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		154
(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)		-3149
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		225421

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(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)		0
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)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		0

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		225421
l Transfers of assets:			
(1) To this plan.....	2l(1)		5394856
(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: CIUNI & PANICHI

(2) EIN: 34-1322309

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		500000
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)

Mar-Bal, Inc. Profit Sharing Plan

**Financial Statements
December 31, 2011 and 2010**

Mar-Bal, Inc. Profit Sharing Plan

Financial Statements

December 31, 2011 and 2010

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Independent Auditor's Report

Plan Administrator
Mar-Bal, Inc. Profit Sharing Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Mar-Bal, Inc. Profit Sharing Plan (the "Plan") as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2011. 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 discussed in Note 3, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the 2011 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 year ended December 31, 2011, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2011 financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule as of or for the year ended December 31, 2011. The supplemental schedule is presented for the purposes 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. 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

We have audited the statement of net assets available for benefits of the Plan as of December 31, 2010, and in our report dated October 10, 2011, we expressed our opinion that such financial statement presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Ciuni & Panichi, Inc.

Cleveland, Ohio
October 10, 2012

Mar-Bal, Inc. Profit Sharing Plan

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	<u>Assets</u>	
	<u>2011</u>	<u>2010</u>
Investments, at fair value:		
Registered investment companies	\$ 5,291,150	\$ 28,640
Receivables:		
Notes receivable from participants	125,260	-
Employee contribution receivable	2,972	-
Employer matching contribution	1,041	-
Employer profit sharing contribution	228,416	-
Other	<u>78</u>	<u>-</u>
Total receivables	<u>357,767</u>	<u>-</u>
Total assets	5,648,917	28,640
	<u>Liabilities</u>	
Accounts payable	<u>24,960</u>	<u>-</u>
Net assets available for benefits	\$ <u>5,623,957</u>	\$ <u>28,640</u>

The accompanying notes are an integral part of these financial statements

Mar-Bal, Inc. Profit Sharing Plan

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2011

Additions to net assets attributed to:

Investment income (loss):

Net depreciation in fair value of investments	\$ (3,149)
Interest and dividends	<u>154</u>
Total investment loss	(2,995)

Contributions:

Employer profit sharing	228,416
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Transfer of assets from related plan
due to merger (Note 10)

5,369,896

Net increase 5,595,317

Net assets available for benefits:

Beginning of year 28,640

End of year \$ 5,623,957

The accompanying notes are an integral part of these financial statements

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 1: Description of Plan

The following description of the Mar-Bal, Inc. Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

Effective with the Plan merger on December 31, 2011 (Note 10), the Plan is a defined contribution plan covering all employees of Mar-Bal, Inc. (the “Company”) not covered by a collective bargaining agreement and have one year of consecutive service to be eligible to receive a profit sharing contribution and six months of consecutive service to contribute to the 401(k) portion of the Plan. Prior to December 31, 2011, the Plan was a profit sharing plan covering all employees of the Company, who had one year of consecutive service and were not covered by a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Contributions

Effective December 31, 2011, participants may contribute up to 100% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers shares of registered investment companies as investment options for participants. Each year, the Company may establish a rate at which matching contributions will be made. The Company contributes 100% of the first \$260 that a participant contributes to the Plan and 30% of the next \$2,740 that a participant contributes to the Plan. The Company may also make a discretionary profit sharing contribution to the Plan at its discretion. During 2011, the Company elected to make a contribution of 2.5% of 2011 compensation, as defined by the Plan, for all eligible employees who were employed on January 1, 2011 and remained employed on December 31, 2011. Contributions are subject to certain limitations.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contributions and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Participants are vested immediately in their contributions and the employer matching contribution plus actual earnings thereon. Vesting in the Company’s profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after six years of continuous service.

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 1: Description of Plan (continued)

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that ranged from 4.25% to 9.25%, which are commensurate with local prevailing rates as determined by the Plan Administrator. Loan terms may not exceed 5 years or up to 10 years for the purchase of a primary residence. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or installment payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution.

Forfeited Accounts

At December 31, 2011 and 2010, forfeited non-vested accounts totaled \$1,523 and \$-0-, respectively. These accounts will be used to reduce future employer contributions.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Basis of Presentation

The Plan follows authoritative guidance issued by the Financial Accounting Standards Board ("FASB") which established the FASB Accounting Standards Codification ("ASC") as the single source of authoritative accounting principles generally accepted in the United States of America.

Use of Estimates

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

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 2: Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. 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.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain transaction fees and basic account fees are charged to the accounts of Plan participants benefiting from the related service. All other expenses of the Plan are paid by the Company.

Subsequent Events

The Plan has evaluated subsequent events through October 10, 2012, the date the financial statements were available to be issued.

Note 3: Information Certified by the Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Capital Bank and Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments, except for those assets held by the Plan prior to the merger of the Mar-Bal, Inc. 401(k) Profit Sharing Plan, reflected on the accompanying statements of net assets available for benefits as of December 31, 2011, Note 4, and the supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011.

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 4: Investments

The following presents investments that represent 5% or more of the Plan's net assets at December 31:

	2011	2010
American Funds:		
The Growth Fund of America	\$ 849,360	\$ 6,943
Euro-Pacific Growth Fund	**	6,803
Money Market Fund	1,027,115	**
The Bond Fund of America	442,932	**
Washington Mutual Investors Fund	342,229	**
AMCAP Fund	744,208	**
New Perspective Fund	551,320	6,989
Small-Cap World Fund	437,337	7,805

** Does not represent 5% or more of the Plan's net assets at December 31.

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$3,149. All net depreciation in 2011 related to registered investment companies.

Note 5: Fair Value Measurements

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 5: Fair Value Measurements (continued)

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

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

Shares of registered investment companies: Valued at the quoted net asset value of shares held by the Plan at year-end.

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies:				
Growth funds	\$ 2,802,672	\$ -	\$ -	\$ 2,802,672
Cash-equivalent funds	1,027,115	-	-	1,027,115
Balanced funds	91,097	-	-	91,097
Bond funds	616,241	-	-	616,241
Growth and Income funds	<u>754,025</u>	<u>-</u>	<u>-</u>	<u>754,025</u>
	\$ <u>5,291,150</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,291,150</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies:				
Growth funds	\$ 28,540	\$ -	\$ -	\$ 28,540
Cash-equivalent fund	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
	\$ <u>28,640</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>28,640</u>

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 6: Party-in-Interest Transactions

Certain Plan investments are registered investment companies managed by American Funds. Capital Bank and Trust Company, an affiliate of American Funds, is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net depreciation in fair value of investments.

Note 7: Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in the Company profit sharing contribution portion of their account.

Note 8: Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated September 19, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the "IRC"). Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and therefore believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note 9: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Mar-Bal, Inc. Profit Sharing Plan

Notes to Financial Statements

December 31, 2011 and 2010

Note 10: Plan Merger

Effective December 31, 2011, the Mar-Bal, Inc. 401(k) Profit Sharing Plan was merged into the Plan. On December 31, 2011, the amount of the account balances transferred into the Plan totaled \$5,369,896.

Note 11: Subsequent Events

Effective January 1, 2012, the name of the Plan was changed to the Mar-Bal, Inc. Retirement Savings Plan. Also effective January 1, 2012, the Plan changed its trustee to Orchard Trust Company LLC, its custodian to Great-West Life & Annuity Insurance Company, and its record keeper to Summit Retirement Plan Services, Inc. During the first quarter of 2012, Plan assets of \$5,705,487 were transferred to Great-West Life & Annuity Insurance Company.

Note 12: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 to Form 5500:

Net assets available for benefits per the financial statements	\$ 5,623,957
Corrective distributions payable	<u>24,960</u>
Net assets available for benefits per the Form 5500	\$ <u>5,648,917</u>

The following is a reconciliation of transfer of Plan assets per the financial statements for the year ended December 31, 2011 to Form 5500:

Transfer of Plan assets per the financial statements	\$ 5,369,896
Corrective distributions payable	<u>24,960</u>
Transfer of Plan assets per the Form 5500	\$ <u>5,394,856</u>

Mar-Bal, Inc. Profit Sharing Plan

Supplemental Schedule

EIN: 34-1059601

Plan No.: 004

December 31, 2011

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest collateral, par or maturity value	(e) Current value
<u>Registered Investment Companies:</u>			
*	American Funds	Money Market Fund	\$ 1,027,115
*	American Funds	American Balanced Fund	91,097
*	American Funds	The Bond Fund of America	442,932
*	American Funds	Euro-Pacific Growth Fund	220,447
*	American Funds	The Growth Fund of America	849,360
*	American Funds	The Investment Company of America	175,210
*	American Funds	AMCAP Fund	744,208
*	American Funds	New Perspective Fund	551,320
*	American Funds	Washington Mutual Investors Fund	342,229
*	American Funds	World Bond Fund	173,309
*	American Funds	Capital World Growth & Income Fund	236,586
*	American Funds	Small-Cap World Fund	437,337
*	Notes receivable from participants	Various terms, interest at 4.25% – 9.25%, Cost \$0	125,260

* Indicates a party-in-interest to the Plan

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 4085 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I Annual Report Identification Information		
For the 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 single-employer plan;	☐ a multiple-employer plan; or ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ an amended return/report;	☐ the final 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; ☐ special extension (enter description) _____	☐ automatic extension; ☐ the DFVC program;

Part II Basic Plan Information --- enter all requested information.		
1a Name of plan Mar-Bal, Inc. Profit Sharing Plan	1b Three-digit plan number (PN) ►	004
1c Effective date of plan 01/01/2008		
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) Mar-Bal, Inc. 10095 Queens Way US Chagrin Falls OH 44023	2b Employer Identification Number (EIN) 34-1059601 2c Sponsor's telephone number (440) 543-7526 2d Business code (see instructions) 326100	

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			Scott J. Balogh
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			Scott J. Balogh
	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")

Same

3b Administrator's EIN**3c** Administrator's telephone number**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**5** Total number of participants at the beginning of the plan year **5** 246**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** 273**b** Retired or separated participants receiving benefits **6b** 0**c** Other retired or separated participants entitled to future benefits **6c** 94**d** Subtotal. Add lines 6a, 6b, and 6c **6d** 367**e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits **6e** 2**f** Total. Add lines 6d and 6e **6f** 369**g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) **6g** 308**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 complete this item) . . . **7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2A 2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

- (1) ☐ 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

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

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

b General Schedules

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

[illegible]