

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>PHARMAGRAPHS 401(K) RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>10/01/1988</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>PHARMAGRAPHS</u> <u>1072 BOULDER RD</u> <u>GREENSBORO, NC 27409-9106</u>	2b Employer Identification Number (EIN) <u>06-0936821</u> 2c Sponsor's telephone number <u>860-342-1932</u> 2d Business code (see instructions) <u>322200</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2012</u>	<u>GLORIA DESROCHES</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2012</u>	<u>GLORIA DESROCHES</u>
	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") PHARMAGRAPHERICS 1072 BOULDER RD GREENSBORO, NC 27409-9106	3b Administrator's EIN 06-0936821 3c Administrator's telephone number 860-342-1932
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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	446
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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	418
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	16
d Subtotal. Add lines 6a , 6b , and 6c	6d	434
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	435
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	372
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	12

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 2S 2T

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

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011	
A Name of plan PHARMAGRAPHS 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PHARMAGRAPHS	D Employer Identification Number (EIN) 06-0936821

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 PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	428628	435	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
12561	5385

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 LINCOLN FINANCIAL SECURITIES CORP ATTN LFS COMMISSIONS 1 GRANITE PLACE CONCORD, NH 03301-3258

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
12561	5385	REFERRAL/SERVICE FEE	3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	214005
5 Current value of plan's interest under this contract in separate accounts at year end	5	7033665

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. Specify nature of costs ▶	6d	

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 ▶ FLEXIBLE INVESTMENT ANNUITY

b Balance at the end of the previous year	7b	192278
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c Additions: (1) Contributions deposited during the year	7c(1)	50512	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	1627	
(4) Transferred from separate account	7c(4)	429	
(5) Other (specify below)	7c(5)	11486	

▶ LOAN PAYMENT, CORRECTION

(6) Total additions	7c(6)	64054
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d Total of balance and additions (add b and c(6))	7d	256332
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	6560	
(2) Administration charge made by carrier	7e(2)	1635	
(3) Transferred to separate account	7e(3)	23117	
(4) Other (specify below)	7e(4)	10312	

▶ LOAN WITHDRAWAL, CORRECTION

(5) Total deductions	7e(5)	41624
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f Balance at the end of the current year (subtract e(5) from d)	7f	214708
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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>PHARMAGRAPHS 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PHARMAGRAPHS</u>	D Employer Identification Number (EIN) <u>06-0936821</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
PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	49566	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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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>PHARMAGRAPHS 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PHARMAGRAPHS</u>	D Employer Identification Number (EIN) <u>06-0936821</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MONEY MARKET SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-024</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>258808</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP VALUE SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-031</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>76029</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP GROWTH SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-018</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>649112</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN U.S. PROPERTY SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-027</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>77477</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN BOND AND MORTGAGE SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-005</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>787850</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>736824</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1091150</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-023	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 471907
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL GROWTH SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-064	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-075	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 181540
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-076	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1647194
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-077	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 566120
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-078	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 237014
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-079	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 80839
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 113786
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CORE PLUS BOND I SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-115	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58016
a Name of MTIA, CCT, PSA, or 103-12 IE: FIDELITY MIP II FUND		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-025	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 517412

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

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

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

SCHEDULE H (Form 5500) <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 <div style="font-size: 24pt; font-weight: bold;">2011</div> 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>PHARMAGRAPHS 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<div style="border: 1px solid black; padding: 2px; width: 50px; margin: 0 auto;">001</div>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PHARMAGRAPHS</u>	D Employer Identification Number (EIN) <u>06-0936821</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	110121
(2) Participant contributions	1b(2)	28043	25911
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	279344	530008
(9) Value of interest in common/collective trusts.....	1c(9)	0	517412
(10) Value of interest in pooled separate accounts.....	1c(10)	3753470	7033665
(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)	2558895	4342952
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	191603	214005
(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	6811355	12774074

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6811355	12774074
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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)	317004	
(B) Participants	2a(1)(B)	917774	
(C) Others (including rollovers)	2a(1)(C)	210195	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1444973
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	17351	
(F) Other	2b(1)(F)	1627	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18978
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	61810	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		61810
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		16172
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-207670
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-98793
c Other income.....	2c		303
d Total income. Add all income amounts in column (b) and enter total.....	2d		1235773

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	634610	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	107081	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		741691
f Corrective distributions (see instructions)	2f		26092
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	49566	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	22	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		49588
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		817371

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		418402
l Transfers of assets:			
(1) To this plan.....	2l(1)		5544317
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ 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: BOWMAN & COMPANY LLP

(2) EIN: 21-0658561

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.).....	☒		44814
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.).....		☒	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		☒	0
e Was this plan covered by a fidelity bond?.....	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒		
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.).....		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☒		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☒		

- 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>PHARMAGRAPHS 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PHARMAGRAPHS</u>	D Employer Identification Number (EIN) <u>06-0936821</u>

Part I	Distributions
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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	<u>0</u>
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>42-0127290</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): _____

PHARMAGRAPHS 401(k) RETIREMENT PLAN
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

To the Trustees of
Pharmagraphics 401(k) Retirement Plan
325 Chestnut Street, Suite 909
Philadelphia, PA 19106

We were engaged to audit the accompanying statements of net assets available for benefits of the Pharmagraphics 401(k) Retirement Plan (the Plan) as of December 31, 2011 and 2010 and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules, schedule of assets (held at end of year) as of December 31, 2011 and schedule of delinquent participant contributions for the year ended December 31, 2011. These financial statements and supplemental schedules 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 investments, investment transactions and related income as summarized in Note 3, which was certified by the Principal Financial Group (Principal Life Insurance Company and the Principal Trust Company), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the 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 schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the 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.



Bowman & Company LLP
Certified Public Accountants & Consultants

Voorhees, New Jersey
October 10, 2012

PHARMAGRAPHS 401(K) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
<u>Investments at Fair Value</u>		
Collective Investment Trust	\$ 517,412	\$ -
Pooled Separate Accounts	7,033,665	3,753,470
Shares of Registered Investment Companies	4,342,952	2,558,895
Guaranteed Interest Accounts Contract - Insurance Company	<u>214,005</u>	<u>191,603</u>
Total Investments	<u>12,108,034</u>	<u>6,503,968</u>
<u>Receivables</u>		
Employer Contributions	110,121	91,973
Participant Contributions	25,911	28,043
Participants Loans / Notes	<u>530,008</u>	<u>279,344</u>
Total Receivables	<u>666,040</u>	<u>399,360</u>
Net Assets Available for Benefits	<u>\$ 12,774,074</u>	<u>\$ 6,903,328</u>

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

PHARMAGRAPHS 401(k) RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Additions</u>		
<u>Investment Income</u>		
Interest & Dividends	\$ 63,437	\$ 36,551
Net Appreciation (Depreciation) in		
Fair Value of Investments	<u>(289,988)</u>	<u>733,530</u>
Total Investment Income (Loss)	<u>(226,551)</u>	<u>770,081</u>
Interest Income on Participant Loans	<u>17,351</u>	<u>10,248</u>
<u>Contributions</u>		
Employer	225,031	91,973
Participants	917,774	509,928
Rollover	<u>210,195</u>	<u>72,021</u>
Total Contributions	<u>1,353,000</u>	<u>673,922</u>
Total Additions	<u>1,143,800</u>	<u>1,454,251</u>
<u>Deductions</u>		
Benefits Paid to Participants	767,783	432,771
Fees	<u>49,588</u>	<u>33,420</u>
Total Deductions	<u>817,371</u>	<u>466,191</u>
Net Increase	326,429	988,060
<u>Net Assets Available for Plan Benefits</u>		
Beginning of Year	6,903,328	5,915,268
Plan Merger	<u>5,544,317</u>	<u>-</u>
End of Year	<u>\$ 12,774,074</u>	<u>\$ 6,903,328</u>

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

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 1: DESCRIPTION OF PLAN

The following is a brief description of the Keller-Crescent Co., Inc.'s (the Company) retirement plan, Pharmagraphics 401(k) Retirement Plan (Plan), and is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined contribution plan which was established on October 1, 1988. The Plan covers all full-time employees of Pharmagraphics (Southeast), LLC., Westlake Industries, Inc., Pharmagraphics, Inc. and effective December 2009, Clondalkin Group Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act ("ERISA"). On July 15, 2008, Pharmagraphics, Inc., the Plan sponsor, changed its name to Keller-Crescent Co., Inc. as part of a rebranding and simplification program.

Plan Amendment / Restatement / Merger

Effective May 4, 2011, the Plan was restated. It is intended that the Plan qualify as a 401(k) profit sharing plan and, in addition, include changes to reflect compliance with statutory, regulatory, and guidance as specified by the Internal Revenue Service.

The restated Plan was done, in part, to accommodate the merger of participants from PC Moorestown, LLC. Funds transferred into the Plan totaled \$5,544,317. The transfer consisted of cash and investments of \$5,368,661 and \$175,656 in participant loans / notes.

Contributions

Each year participants may elect to defer a portion of their compensation up to the maximum allowable amount. The Plan also allows individuals who will be at least age 50 by the end of the plan year to make an additional "catch-up" contribution. Discretionary matching contributions equal to a percentage of each participant's deferred compensation may be made by the Company. The exact amount is determined each year by the Company. Additional amounts may be contributed at the option of the Company. Contributions are subject to certain limitations. With the consent of the Administrator, participants may also contribute amounts representing distributions from other qualified plans.

The Company's contribution was \$225,031 and \$91,973 for 2011 and 2010, respectively.

Participant Accounts

Participants are provided a selection of investments in which to invest contributions; and may, subject to established procedures, direct their investments in specific investments permitted by the Plan. Earnings are credited to each participant's account based upon the performance of the respective investments selected by the participant. Each investment account is revalued based, in part, on the net asset value reported by the financial institutions, and accounts are adjusted accordingly. Employer contributions to the Plan are allocated to participant accounts as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

PHARMAGRAPHICS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 1: DESCRIPTION OF PLAN (CONT'D)

Vesting

Participants are vested immediately in his / her salary reduction contribution, rollover contributions plus the actual earnings thereon.

Vesting in the employer contributions and any actual earnings thereon is determined using a progressive schedule based on years of service. The schedule of vesting begins with 1 year of service resulting in 25% vesting, and progresses as follows: 2 years 50%, 3 years 75%, and culminates with 4 years vesting to 100%.

Participant Loans / Notes

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's vested account and bear interest at a reasonable rate. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits, Withdrawals

On termination of service and due to death or retirement, a participant or beneficiary may elect to receive either a lump-sum amount or choose from several installment options. In addition, under certain circumstances, the Plan provides for hardship withdrawals.

Forfeitures

Forfeitures may first be used to pay administrative expenses. Forfeitures that have not been used to pay administrative expenses shall be applied to reduce employer contributions.

At December 31, 2011 and 2010, forfeited accounts totaled \$2,884 and \$2,235, respectively, and will be used in accordance with the policy noted above.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America, except for distributions paid to participants which are prepared on the cash basis of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Valuation and Income Recognition

The Plan's investments are 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. Investment contracts with Principal Financial Group are stated at fair value as reported by the insurance company. See Note 4 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.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

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

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 3: TRUSTEE INFORMATION

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by the Principal Financial Group, the trustee of the Plan, except for comparing such information certified by the trustee to information included in the Plan's financial statements and supplemental schedule.

The following table presents investments of the Plan as of December 31, 2011 and 2010. Those investments that represent 5 percent or more of the Plan's net assets are identified separately.

	<u>2011</u>	<u>2010</u>
Fidelity Advisor Mid-Cap I Fund	\$ -	\$ 390,394
Principal Bond and Mortgage	787,850	-
Principal Diversified International	736,824	-
Principal Large Cap Growth	649,111	-
Principal Large Cap S&P 500 Stock Index	1,091,150	343,863
Principal Life Time 2020	1,647,194	1,030,650
Vanguard Wellington Fund	1,159,372	-
Vanguard Windsor II Investment Fund	845,756	-
Vanguard Primecap Fund	-	574,476
Combined Other Investments		
@ Less Than 5%	<u>5,190,777</u>	<u>4,164,585</u>
Total Investments	<u>\$ 12,108,034</u>	<u>\$ 6,503,968</u>

Other Information:

Dividend / Interest Income	<u>\$ 63,437</u>	<u>\$ 36,551</u>
Net Appreciation (Depreciation) in Fair Value of Investments	<u>\$ (289,988)</u>	<u>\$ 733,530</u>

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4: FAIR VALUE MEASUREMENTS

As indicated in the preceding notes, the FASB establishes a 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 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;
- 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.

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.

Collective Investment Trust – Valued at net asset value (NAV) of the underlying investments as computed by the fund.

Pooled Separate Accounts – Pooled separate accounts are made up of a wide variety of underlying investments such as equities, preferred stocks, bonds, real estate and mutual funds. The net asset value of these accounts is based upon the market value of its underlying investments, which are not publicly quoted prices in an active market.

Registered Investment Companies \ Mutual Funds – Valued at quoted market prices.

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4: FAIR VALUE MEASUREMENTS (CONT'D)

Guaranteed Interest Accounts Contract – Valued at fair value as determined by the insurance company.

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of December 31, 2011:				
Collective Investment Trust:				
Short Term Fixed Income	\$ -	\$ 517,412	\$ -	\$ 517,412
Pooled Separate Accounts:				
Short Term Fixed Income	-	258,808	-	258,808
Fixed Income	-	923,343	-	923,343
Balanced \ Asset Allocation	-	2,826,492	-	2,826,492
Large U.S. Equity	-	1,740,262	-	1,740,262
Small \ Mid U.S. Equity	-	547,936	-	547,936
International Equity	-	736,824	-	736,824
Total Pooled Separate Accounts	-	7,033,665	-	7,033,665
Registered Investment Companies \				
Mutual Funds:				
Fixed Income	222,368	-	-	222,368
Balanced \ Asset Allocation	1,159,372	-	-	1,159,372
Large U.S. Equity	1,696,946	-	-	1,696,946
Small \ Mid U.S. Equity	935,223	-	-	935,223
Other	329,043	-	-	329,043
Mutual Funds	4,342,952	-	-	4,342,952
Guaranteed Interest Accounts Contract	-	-	214,005	214,005
Total Investments as of December 31, 2011	<u>\$ 4,342,952</u>	<u>\$ 7,551,077</u>	<u>\$ 214,005</u>	<u>\$ 12,108,034</u>

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4: FAIR VALUE MEASUREMENTS (CONT'D)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of December 31, 2010:				
Pooled Separate Accounts:				
Short Term Fixed Income	\$ -	\$ 251,702	\$ -	\$ 251,702
Fixed Income	-	392,750	-	392,750
Balanced \ Asset Allocation	-	1,906,774	75,778	1,982,552
Large U.S. Equity	-	443,430	-	443,430
Small \ Mid U.S. Equity	-	186,635	-	186,635
International Equity	-	496,401	-	496,401
	<hr/>	<hr/>	<hr/>	<hr/>
Total Pooled Separate Accounts	-	3,677,692	75,778	3,753,470
	<hr/>	<hr/>	<hr/>	<hr/>
Registered Investment Companies \				
Mutual Funds:				
Fixed Income	117,270	-	-	117,270
Balanced \ Asset Allocation	216,879	-	-	216,879
Large U.S. Equity	1,164,843	-	-	1,164,843
Small \ Mid U.S. Equity	772,063	-	-	772,063
Other	287,840	-	-	287,840
	<hr/>	<hr/>	<hr/>	<hr/>
Mutual Funds	2,558,895	-	-	2,558,895
	<hr/>	<hr/>	<hr/>	<hr/>
Guaranteed Interest Accounts Contract	-	-	191,603	191,603
	<hr/>	<hr/>	<hr/>	<hr/>
Total Investments as of				
December 31, 2010	<u>\$ 2,558,895</u>	<u>\$ 3,677,692</u>	<u>\$ 267,381</u>	<u>\$ 6,503,968</u>

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4: FAIR VALUE MEASUREMENTS (CONT'D)

Level 3 Assets for the Year Ended December 31, 2011:

	<u>Pooled Separate Accounts</u>	<u>Guaranteed Interest Accounts</u>	<u>Total</u>
Balance, Beginning of Year	\$75,778	\$191,603	\$267,381
Realized Gains / (Losses)	2,149	1,598	3,747
Unrealized Gains / (Losses) Relating to Instruments Still Held at the Reporting Date	-	-	-
Transfers	(80,229)	-	(80,229)
Purchases, Sales, Issuances, and Settlements (Net)	<u>2,302</u>	<u>20,804</u>	<u>23,106</u>
Balance, End of Year	<u><u>\$0</u></u>	<u><u>\$214,005</u></u>	<u><u>\$214,005</u></u>

Note 5: INVESTMENT CONTRACTS

The Plan has guaranteed interest accounts contracts with Principal Financial Group. The contracts are fixed interest rates with 3 year maturities. The funds are maintained by the insurance company in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contracts are included in the financial statements at the fair value reported by the insurance company. At December 31, 2011 and 2010, the contracts were valued at \$214,005 and \$191,603, respectively.

Note 6: PLAN ADMINISTRATION COSTS

In 2011 and 2010 the Company elected to pay certain expenses of the Plan's costs and not seek reimbursement from the Plan. The Plan did however pay certain investment and trustee fees of \$49,588 and \$33,420 for 2011 and 2010, respectively.

Note 7: RELATED PARTY TRANSACTIONS

The Plan invests in shares of pooled funds and guaranteed interest accounts contracts managed by Principal Financial Group. Principal Financial Group acts as the custodian for those investments. Transactions in such investments qualify as "party in interest" transactions which are exempt from the prohibited transaction rules.

Note 8: 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, all contributions will be discontinued and all Plan participants will become fully vested in their accounts

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 9: TAX STATUS

Effective January 1, 2003, the Plan adopted a prototype plan sponsored by the Principal Financial Group which received a favorable opinion letter from the Internal Revenue Service for its prototype plans. Effective January 1, 2006, the Plan was amended and as such, the Plan was submitted to the Internal Revenue Service for review under the Voluntary Correction Program to ensure its compliance with the various rules and regulations. The Plan administrators believe that the Plan is designed and currently being operated in compliance with the applicable provisions of the Internal Revenue Code and therefore, no provision for income taxes has been made in these financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan. The Plan administrator has reviewed and evaluated its tax positions taken in its previously filed annual reports and returns with the Internal Revenue Service and or Department of Labor, and those expected to be filed in the future, and has concluded that in the event of an examination by regulatory authorities, the Plan's positions would prevail based upon the technical merit of such positions. Therefore the Plan has concluded that no further benefits or liabilities are required to be recognized or disclosed in the financial statements.

The Plan is generally subject to routine audits by the Internal Revenue Service and or Department of Labor, for three years, including 2008, 2009 and 2010. There are currently no audits for any periods in progress.

Note 10: RISKS AND UNCERTAINTIES

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

PHARMAGRAPHS 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Note 11: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the financial statements to the Form 5500 as of December 31:

	<u>2011</u>	<u>2010</u>
Statement of Net Assets Available for Benefits:		
Net Net Assets per the Financial Statements	\$ 12,774,074	\$ 6,903,328
Current Year Employer Contribution Receivable	<u>-</u>	<u>(91,973)</u>
Net Assets per Form 5500	<u>\$ 12,774,074</u>	<u>\$ 6,811,355</u>
Statement of Changes in Net Assets Available for Benefits:		
Net Increase in Net Assets per the Financial Statements	\$ 326,429	\$ 988,060
Current Year Employer Contribution Receivable	-	(91,973)
Prior Year Participants' Contribution Receivable	<u>91,973</u>	<u>(3,922)</u>
Net Increase in Net Assets		
Available for Benefits per Form 5500	<u>\$ 418,402</u>	<u>\$ 892,165</u>

SUPPLEMENTAL SCHEDULES

**PHARMAGRAPHS 401(K) RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE**

**PLAN 001
DECEMBER 31, 2011
06-0936821**

Form 5500 Schedule H Line 4(i) - Schedule of Assets (Held at End of Year)

(a) <u>Party In</u> <u>Interest</u>	(b) <u>Identity of Issue Borrower, Lessor or</u> <u>Similar Party</u>	(c) <u>Description of Investment Including Maturity</u> <u>Date, Rate of Interest Collateral, Par or Maturity</u> <u>Value</u>	(d) <u>Cost</u>	(e) <u>Current Value</u>
	Collective Investment Trust:			
	Fidelity Management Trust Company	Fidelity MIP II Fund	N/A	\$ 517,412
	Pooled Separate Accounts:			
*	Principal Life Insurance Company	Principal Bond and Mortgage SA-R6		787,850
*	Principal Life Insurance Company	Principal Core Plus Bond I SA-R6		58,016
*	Principal Life Insurance Company	Principal Diversified International SA-R6		736,824
*	Principal Life Insurance Company	Principal Large Cap Growth Sep Acct R6		649,111
*	Principal Life Insurance Company	Principal Large Cap S&P 500 Stock Index SA-R6		1,091,150
*	Principal Life Insurance Company	Principal LifeTime Strategy Income SA-R6		113,786
*	Principal Life Insurance Company	Principal Life Time 2010 Sep Acct R6		181,540
*	Principal Life Insurance Company	Principal Life Time 2020 Sep Acct R6		1,647,194
*	Principal Life Insurance Company	Principal Life Time 2030 Sep Acct R6		566,120
*	Principal Life Insurance Company	Principal Life Time 2040 Sep Acct R6		237,014
*	Principal Life Insurance Company	Principal Life Time 2050 Sep Acct R6		80,839
*	Principal Life Insurance Company	Principal MidCap S&P 400 Index SA-R6		471,907
*	Principal Life Insurance Company	Principal Money Market Sep Acct-R6		258,808
*	Principal Life Insurance Company	Principal Small Cap Value Sep Acct-R6		76,029
*	Principal Life Insurance Company	Principal US Property Sep Acct-R6		77,477
	Total Pooled Separate Accounts			<u>7,033,665</u>
	Registered Investment Companies:			
	Fidelity Investments	Fidelity Advisor Equity Income I Fund		72,344
	Fidelity Investments	Fidelity Advisor Stock Select Midcap I Fund		340,551
	T. Rowe Price Funds	T. Rowe Price Mid-Cap Growth Fund		82,155
	T. Rowe Price Funds	T. Rowe Price New Era Fund		93,251
	Vanguard Group	Vanguard Equity-Income Fund		215,912
	Vanguard Group	Vanguard Explorer Fund		512,517
	Vanguard Group	Vanguard Health Care Fund		235,792
	Vanguard Group	Vanguard Long-Term Treasury Fund		222,368
	Vanguard Group	Vanguard Primecap Fund		529,521
	Vanguard Group	Vanguard U.S. Growth Fund		33,413
	Vanguard Group	Vanguard Wellington Fund		1,159,372
	Vanguard Group	Vanguard Windsor II Investment Fund		845,756
	Total Registered Investment Companies			<u>4,342,952</u>
*	Principal Life Insurance Company	Guaranteed Interest Accounts Contract		214,005
				12,108,034
*	Participant Loans	Interest Rates 3.25% - 10.50 %		530,008
				<u>\$ 12,638,042</u>
*	Denotes Party in Interest			

PHARMAGRAPHS 401(K) RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE
PLAN 001
DECEMBER 31 2011
EIN 06-0936821

Schedule H Line 4a - Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2011

<u>Participant Contributions Transferred</u>			<u>Check Here if Late Participant Loan Repayments are Included</u>	<u>Total That Constitutes Nonexempt Prohibited Transactions</u>			
<u>Amount Withheld</u>	<u>Date Withheld</u>	<u>Date Remitted</u>		<u>Contributions not Corrected</u>	<u>Contributions Corrected Outside VFCP</u>	<u>Contributions Pending Correction in VFCP</u>	<u>Total Fully Corrected Under VFCP and PTE 2002-51</u>
\$ 82,553.66	4/15/2011	6/10/2011			\$ 82,553.66		
\$ 34,228.25	6/10/2011	6/28/2011			\$ 34,228.25		
\$ 34,874.46	7/8/2011	8/10/2011			\$ 34,874.46		
\$ 18,220.43	7/22/2011	8/11/2011			\$ 18,220.43		
\$ 15,464.97	12/23/2011	1/19/2012			\$ 15,464.97		

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

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

PHARMAGRAPHS 401(K) RETIREMENT PLAN

EIN 06 0936821
 PLAN NUMBER 001
 PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Fidelity Investments	Registered Investment Company Fidelity Adv Eq Income I Fund	\$ 0.00	\$ 72,344.04
	Fidelity Investments	Registered Investment Company Fidelity Adv Stk Sel MdcP I Fd	\$ 0.00	\$ 340,551.15
	Fidelity Management Trust Company	Common/Collective Trust FIDELITY MIP II FUND	\$ 0.00	\$ 517,411.84
*	Principal Life Insurance Company	Insurance Company General Guaranteed Interest	\$ 0.00	\$ 214,004.68
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R6	\$ 0.00	\$ 787,850.23
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Core Plus Bond I SA-R6	\$ 0.00	\$ 58,015.90
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R6	\$ 0.00	\$ 736,823.65
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap Growth Sep Acct-R6	\$ 0.00	\$ 649,111.51
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	\$ 0.00	\$ 1,091,149.89
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R6	\$ 0.00	\$ 113,785.91
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R6	\$ 0.00	\$ 181,540.13
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R6	\$ 0.00	\$ 1,647,194.23
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R6	\$ 0.00	\$ 566,119.89
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R6	\$ 0.00	\$ 237,013.67
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R6	\$ 0.00	\$ 80,838.69

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

PHARMAGRAPHS 401(K) RETIREMENT PLAN

EIN 06 0936821
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-R6	\$ 0.00	\$ 471,907.23
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Money Market Sep Acct-R6	\$ 0.00	\$ 258,807.88
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Value Sep Acct-R6	\$ 0.00	\$ 76,029.02
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	\$ 0.00	\$ 77,477.01
	T. Rowe Price Funds	Registered Investment Company T Rowe Price Mid-Cap Gr Fund	\$ 0.00	\$ 82,154.52
	T. Rowe Price Funds	Registered Investment Company T Rowe Price New Era Fund	\$ 0.00	\$ 93,250.90
	Vanguard Group	Registered Investment Company Vanguard Equity-Income Fund	\$ 0.00	\$ 215,911.79
	Vanguard Group	Registered Investment Company Vanguard Explorer Fund	\$ 0.00	\$ 512,517.10
	Vanguard Group	Registered Investment Company Vanguard Health Care Fund	\$ 0.00	\$ 235,792.16
	Vanguard Group	Registered Investment Company Vanguard Long-Term Treas Fund	\$ 0.00	\$ 222,367.79
	Vanguard Group	Registered Investment Company Vanguard Primecap Fund	\$ 0.00	\$ 529,521.12
	Vanguard Group	Registered Investment Company Vanguard U.S. Growth Fund	\$ 0.00	\$ 33,413.42
	Vanguard Group	Registered Investment Company Vanguard Wellington Fund	\$ 0.00	\$ 1,159,372.08
	Vanguard Group	Registered Investment Company Vanguard Windsor II Inv Fund	\$ 0.00	\$ 845,756.26
	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 10.50%	\$ 0.00	\$ 530,008.00