Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
AMERICAN FINANCIAL NETWORK INC 401(K) PROFIT SHARING PLAN & TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2010

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

AMERICAN FINANCIAL NETWORK INC

3110 CHINO AVE STE 290
CHINO HILLS, CA 91709

2b Employer Identification Number (EIN) 95-4866828

2c Sponsor's telephone number 909-606-3905

2d Business code (see instructions) 522292

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.	10/15/2012	DANIELLE ABRIL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
AMERICAN FINANCIAL NETWORK INC

3110 CHINO AVE STE 290
CHINO HILLS, CA 91709

3b Administrator's EIN
95-4866828

3c Administrator's telephone number
909-606-3905

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**	444
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**	372
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	6
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	378
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	378
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	46
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**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2G 2J 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)	X	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)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**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
AMERICAN FINANCIAL NETWORK INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
AMERICAN FINANCIAL NETWORK INC

D Employer Identification Number (EIN)
95-4866828

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	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	19179	2463
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	0	16760
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	102040	269255
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	121219	288478
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	121219	288478

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)	0	
(B) Participants	2a(1)(B)	199185	
(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)		199185
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)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	224	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		224
(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)	5747	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		5747
(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(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)		-14497
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		190659
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	18252	
(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)		18252
f Corrective distributions (see instructions)	2f		3893
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1255	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1255
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		23400
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		167259
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MCBRIDE EDWARDS, LLP **(2)** EIN: 26-2696788

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
AMERICAN FINANCIAL NETWORK INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
AMERICAN FINANCIAL NETWORK INC

D Employer Identification Number (EIN)
95-4866828

Part I Distributions

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

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

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

EIN(s): 16-1470238

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

McBride Edwards, LLP
Certified Public Accountant

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010
TOGETHER WITH AUDITOR'S REPORT
AND SUPPLEMENTARY SCHEDULE

McBride Edwards, LLP
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of the
American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust

We were engaged to audit the accompanying statements of net assets available for benefits of the American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits, and supplemental schedule as of and for the year ended 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 Employment Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Counsel Trust Company (dba, Mid Atlantic Trust Company), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule 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 the 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.



Folsom, CA
September 28, 2012

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments in stock & bond funds (at fair value)	$ 246,163	$ 102,040
Cash fund (at fair value)	2,392	19,179
Receivables:		
Notes receivable from participants	16,760	0
Participant's contributions	23,163	0
Net assets available for benefits	$ 288,478	$ 121,219

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

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS

Additions to net assets attributed to:	
Investment income:	
Net decrease in fair value of investments	$ (14,497)
Interest on participant loans	224
Interest and other income	5,747
Total investment income	(8,526)
Contributions from participants	199,185
Total additions	190,659

DEDUCTIONS

Deductions to net assets attributed to:	
Benefits paid to participants	18,252
Corrective distributions	3,893
Administrative expenses	1,255
Total deductions	23,400
Net increase	167,259
Net assets available for benefits, beginning of year	121,219
Net assets available for benefits, end of year	$ 288,478

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

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(1) DESCRIPTION OF PLAN:

The American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is sponsored by American Financial Network, Inc. (the "Company") and was established on January 1, 2010. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all employees, age twenty one or older, of the Company. The Plan entry dates are immediate after completion of one year of eligibility service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, 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 elect to contribute to a pre-tax deferral or a Roth deferral. 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. As of December 31, 2011, the Plan offered thirty three funds as investment options for participants.

Employer Contributions

The Plan provides that the Company may make elect to make a discretionary profit sharing contribution, which is allocated to each eligible participant according to the employee grouping method specified in the plan documents. The amount of this profit sharing contribution during 2011 was $0.

Participant Loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 95% of one-half their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate of the prime rate plus 1%. Principal and interest are paid ratably through monthly payroll deductions.

Participant Accounts

Each participant's account is credited with the participant's voluntary contribution and allocations of Plan earnings (losses), 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 immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions and earnings thereon is based on years of service and is determined as follows:

Years of Service	0	1	2	3	4	5	6
Vested Percentage	0%	0%	0%	100%	100%	100%	100%

Distribution of Benefits

Upon termination of employment due to death, disability, retirement or termination of employment, a participant may elect to receive the value of the participant's vested interest in his or her account. Participants may elect lump sum, rollover or installment distributions or a combination of each.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In accordance with ASC 855, the Plan evaluated subsequent events through September 28, 2012, the date these financial statements were available to be issued.

Cash Fund

Cash fund consists of balances in the Federated Automated Cash Management Trust mutual fund. Shares of the fund are not bank deposits and are not guaranteed or insured by the FDIC or any other government agency.

Income Recognition and Payment of Benefits

Purchases and sales of securities are recorded on a settlement-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Benefits are recorded when paid. Net decrease in investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment Valuation

The Plan's investments are stated at fair value as required by regulations of the Department of Labor and the Internal Revenue Service. The fair value of the accounts is based on quoted net market prices of the underlying mutual fund shares held at year-end. The Plan's cash fund account is reported at fair value based on quoted net market prices of the underlying mutual fund shares held at year-end. The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance.

Operating Expenses

The total cost to administer the plan in 2011 was $3,684 of which $2,429 was paid by the Company.

Notes Receivable from Participants

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 on the terms of the Plan document.

(3) INVESTMENTS:

All Plan investments (100%) are participant directed. The following table presents investments that represent 5 percent or more of the Plan's net investments:

	As of December 31, 2011	
	Amount	**Percentage of plan net investments**
America Funds Mutual R3	$ 63,641	25.6%
Oppenheimer Developing Market N	34,164	13.7%
Oppenheimer Rising Dividends N	33,234	13.4%
Federated Kaufman Large Cap R	17,637	7.1%
Federated Kaufmann R	16,896	6.8%
Lord Abbett Total Return R3	14,956	6.0%
Franklin High Income R	14,130	5.7%
American Funds Europacific Growth R3	12,671	5.1%
	$ 207,329	83.4%

	As of December 31, 2010	
	Amount	**Percentage of plan net investments**
America Funds Mutual R3	$ 24,088	19.9%
Federated Automated Cash Management	19,179	15.8%
Oppenheimer Developing Market N	16,354	13.5%
Oppenheimer Rising Dividends N	9,969	8.2%
American Funds Growth Fnd. of Amer.	9,356	7.7%
Mutual Shares R	8,683	7.2%
Federated Kaufmann R	6,936	5.7%
	$ 94,565	78.0%

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) decreased in value by $8,526 as follows:

	Amount
Interest and dividends	$ 5,971
Net investment loss	(14,497)
	$ (8,526)

(4) FAIR VALUE MEASUREMENTS:

Pursuant to ASC 820-10, Fair Value Measurements and Disclosures, the Plan management has elected to report investments at fair value. The carrying amounts and fair value of the Plan's investments provided below have been determined by the Plan using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions or estimation methodologies may have a material impact on the estimated fair value amounts.

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

The three broad categories are:

Level 1: Observable inputs such as quoted prices for identical assets and liabilities in active markets obtained from independent sources.

Level 2: Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs for which there is little or no market data and require the Plan to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the asset or liability.

The following table displays the investments at fair value.

	As of December 31, 2011			
	Recurring Fair Value Measurements Using			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Investments in stock & bond funds	$ 246,163	$ 0	$ 0	$ 246,163
Cash fund	2,392	0	0	2,392
Total	$ 248,555	$ 0	$ 0	$ 248,555

	As of December 31, 2010			
	Recurring Fair Value Measurements Using			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Investments in stock & bond funds	$ 102,040	$ 0	$ 0	$ 102,040
Cash fund	19,179	0	0	19,179
Total	$ 121,219	$ 0	$ 0	$ 121,219

(5) TAX STATUS:

The Internal Revenue Service ruled that the Plan qualifies under section 401(a) of the Internal Revenue Code ("IRC"), and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC and the Employee Retirement Income Security Act of 1974 to maintain its qualification.

The administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

(6) 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 their allocated Company contributions. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

(7) RISK AND UNCERTAINTIES:

The Plan invests in various 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 statement of net assets available for benefits.

(8) ADMINISTRATIVE FUNCTIONS:

Certain administrative functions are performed by key employees of the Company. No employee receives compensation from the Plan for performance of administrative functions.

(9) INFORMATION PREPARED AND CERTIFED BY TRUSTEE:

The Company has elected the method of compliance permitted by 29 CFR 2520.103-5 and 103.8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA of 1974. Accordingly, as permitted under such election, the following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the trustee and was not subjected to auditing procedures performed by the independent public accountants:

- Investments in stock & bond funds for the years ended December 31, 2011 and December 31, 2010.
- Investment in cash fund for the years ended December 31, 2011 and December 31, 2010.
- Net plan additions and total plan deductions for the years ended December 31, 2011 and December 31, 2010.
- Schedule of assets held at end of year, December 31, 2011.

(10) RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H, FORM 5500:

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

		December 31, 2011
Net assets available for benefits per the financial statements	$	288,478
Receivables, participant contributions		(23,163)
Cash fund		71
Investments in stock & bond funds		23,092
Net assets per Schedule H of Form 5500	$	288,478

(11) RELATED PARTY TRANSACTIONS:

The Plan contracts with Counsel Trust Company (dba Mid Atlantic Trust Company) to provide trustee and transmittal vendor services. Fees paid to Counsel Trust Company as of December 31, 2011 were $860. Counsel Trust Company qualifies as a party-in-interest to the Plan.

The Plan contracts with Paychex, Inc. and its wholly owned subsidiaries to provide legal, accounting, investment, insurance and administrative services. Fees paid to Paychex, Inc. for these services during 2011 were $2,824. Paychex, Inc. qualifies as a party-in-interest to the Plan.

AMERICAN FINANCIAL NETWORK, INC. **SCHEDULE I**
401(k) PROFIT SHARING PLAN & TRUST
FORM 5500, SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR

(a)	Identity of Issue, Borrower, Lessor, or Similar Party (b)	Description of Investment (c)	Cost (d)	Current Value (e)
-	RERCX American Funds Europacific Growth R3	Mutual Fund	(z)	12,671
-	RGACX American Funds Growth Fund Of America	Mutual Fund	(z)	6,821
-	RMFCX American Funds Mutual R3	Mutual Fund	(z)	63,641
-	ACKXX Federated Automated Cash Management R	Money Market Mutual Fund	(z)	2,392
-	KLCKX Federated Kaufman Large Cap R	Mutual Fund	(z)	17,637
-	KAUFX Federated Kaufmann R	Mutual Fund	(z)	16,896
-	FTRKX Federated Total Return Bond R	Mutual Fund	(z)	1,588
-	FHIRX Franklin High Income R	Mutual Fund	(z)	14,130
-	FRDRX Franklin Rising Dividends R	Mutual Fund	(z)	19
-	FVFRX Franklin Small Cap Value R	Mutual Fund	(z)	3,659
-	FUSRX Franklin Us Government Securities R	Mutual Fund	(z)	9,274
-	ALFRX Lord Abbett Alpha Strategy R3	Mutual Fund	(z)	1,266
-	LGORX Lord Abbett Growth Opportunities R3	Mutual Fund	(z)	3,317
-	LAURX Lord Abbett Income R3	Mutual Fund	(z)	219
-	LINRX Lord Abbett International Opportunities R3	Mutual Fund	(z)	893
-	LSSRX Lord Abbett Small-Cap Blend R3	Mutual Fund	(z)	1,626
-	LTRRX Lord Abbett Total Return R3	Mutual Fund	(z)	14,956
-	LVORX Lord Abbett Value Opportunities R3	Mutual Fund	(z)	186
-	TESRX Mutual Shares R	Mutual Fund	(z)	7,058
-	ODVNX Oppenheimer Developing Market N	Mutual Fund	(z)	34,164
-	OIGNX Oppenheimer International Growth N	Mutual Fund	(z)	2,908
-	ONRDX Oppenheimer Rising Dividends N	Mutual Fund	(z)	33,234
	Total Mutual Funds			248,555
	Loans receivable from participants	Interest rate range 4.00% to 4.5%	(z)	16,760
	Total assets held at year end			$ 265,315

(z) In accordance with DOL 29 CFR 2520.103-11, cost information may be omitted for participant-directed transactions.

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

McBride Edwards, LLP
Certified Public Accountant

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010
TOGETHER WITH AUDITOR'S REPORT
AND SUPPLEMENTARY SCHEDULE

McBride Edwards, LLP
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of the
American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust

We were engaged to audit the accompanying statements of net assets available for benefits of the American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits, and supplemental schedule as of and for the year ended 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 Employment Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Counsel Trust Company (dba, Mid Atlantic Trust Company), the trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule 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 the 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.



Folsom, CA
September 28, 2012

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments in stock & bond funds (at fair value)	$ 246,163	$ 102,040
Cash fund (at fair value)	2,392	19,179
Receivables:		
Notes receivable from participants	16,760	0
Participant's contributions	23,163	0
Net assets available for benefits	$ 288,478	$ 121,219

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

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS

Additions to net assets attributed to:	
Investment income:	
Net decrease in fair value of investments	$ (14,497)
Interest on participant loans	224
Interest and other income	5,747
Total investment income	(8,526)
Contributions from participants	199,185
Total additions	190,659

DEDUCTIONS

Deductions to net assets attributed to:	
Benefits paid to participants	18,252
Corrective distributions	3,893
Administrative expenses	1,255
Total deductions	23,400
Net increase	167,259
Net assets available for benefits, beginning of year	121,219
Net assets available for benefits, end of year	$ 288,478

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

AMERICAN FINANCIAL NETWORK, INC.
401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(1) DESCRIPTION OF PLAN:

The American Financial Network, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is sponsored by American Financial Network, Inc. (the "Company") and was established on January 1, 2010. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all employees, age twenty one or older, of the Company. The Plan entry dates are immediate after completion of one year of eligibility service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, 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 elect to contribute to a pre-tax deferral or a Roth deferral. 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. As of December 31, 2011, the Plan offered thirty three funds as investment options for participants.

Employer Contributions

The Plan provides that the Company may make elect to make a discretionary profit sharing contribution, which is allocated to each eligible participant according to the employee grouping method specified in the plan documents. The amount of this profit sharing contribution during 2011 was $0.

Participant Loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 95% of one-half their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate of the prime rate plus 1%. Principal and interest are paid ratably through monthly payroll deductions.

Participant Accounts

Each participant's account is credited with the participant's voluntary contribution and allocations of Plan earnings (losses), 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 immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions and earnings thereon is based on years of service and is determined as follows:

Years of Service	0	1	2	3	4	5	6
Vested Percentage	0%	0%	0%	100%	100%	100%	100%

Distribution of Benefits

Upon termination of employment due to death, disability, retirement or termination of employment, a participant may elect to receive the value of the participant's vested interest in his or her account. Participants may elect lump sum, rollover or installment distributions or a combination of each.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In accordance with ASC 855, the Plan evaluated subsequent events through September 28, 2012, the date these financial statements were available to be issued.

Cash Fund

Cash fund consists of balances in the Federated Automated Cash Management Trust mutual fund. Shares of the fund are not bank deposits and are not guaranteed or insured by the FDIC or any other government agency.

Income Recognition and Payment of Benefits

Purchases and sales of securities are recorded on a settlement-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Benefits are recorded when paid. Net decrease in investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment Valuation

The Plan's investments are stated at fair value as required by regulations of the Department of Labor and the Internal Revenue Service. The fair value of the accounts is based on quoted net market prices of the underlying mutual fund shares held at year-end. The Plan's cash fund account is reported at fair value based on quoted net market prices of the underlying mutual fund shares held at year-end. The participant loans are not actively traded and significant other observable inputs are not available. Thus, the fair value of participant loans is equal to the amortized cost of the loans because the loans are secured by each respective participant's account balance.

Operating Expenses

The total cost to administer the plan in 2011 was $3,684 of which $2,429 was paid by the Company.

Notes Receivable from Participants

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 on the terms of the Plan document.

(3) INVESTMENTS:

All Plan investments (100%) are participant directed. The following table presents investments that represent 5 percent or more of the Plan's net investments:

	As of December 31, 2011	
	Amount	**Percentage of plan net investments**
America Funds Mutual R3	$ 63,641	25.6%
Oppenheimer Developing Market N	34,164	13.7%
Oppenheimer Rising Dividends N	33,234	13.4%
Federated Kaufman Large Cap R	17,637	7.1%
Federated Kaufmann R	16,896	6.8%
Lord Abbett Total Return R3	14,956	6.0%
Franklin High Income R	14,130	5.7%
American Funds Europacific Growth R3	12,671	5.1%
	$ 207,329	83.4%

	As of December 31, 2010	
	Amount	**Percentage of plan net investments**
America Funds Mutual R3	$ 24,088	19.9%
Federated Automated Cash Management	19,179	15.8%
Oppenheimer Developing Market N	16,354	13.5%
Oppenheimer Rising Dividends N	9,969	8.2%
American Funds Growth Fnd. of Amer.	9,356	7.7%
Mutual Shares R	8,683	7.2%
Federated Kaufmann R	6,936	5.7%
	$ 94,565	78.0%

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) decreased in value by $8,526 as follows:

	Amount
Interest and dividends	$ 5,971
Net investment loss	(14,497)
	$ (8,526)

(4) FAIR VALUE MEASUREMENTS:

Pursuant to ASC 820-10, Fair Value Measurements and Disclosures, the Plan management has elected to report investments at fair value. The carrying amounts and fair value of the Plan's investments provided below have been determined by the Plan using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions or estimation methodologies may have a material impact on the estimated fair value amounts.

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

The three broad categories are:

Level 1: Observable inputs such as quoted prices for identical assets and liabilities in active markets obtained from independent sources.

Level 2: Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs for which there is little or no market data and require the Plan to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the asset or liability.

The following table displays the investments at fair value.

	As of December 31, 2011			
	Recurring Fair Value Measurements Using			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Investments in stock & bond funds	$ 246,163	$ 0	$ 0	$ 246,163
Cash fund	2,392	0	0	2,392
Total	$ 248,555	$ 0	$ 0	$ 248,555

	As of December 31, 2010			
	Recurring Fair Value Measurements Using			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Investments in stock & bond funds	$ 102,040	$ 0	$ 0	$ 102,040
Cash fund	19,179	0	0	19,179
Total	$ 121,219	$ 0	$ 0	$ 121,219

(5) TAX STATUS:

The Internal Revenue Service ruled that the Plan qualifies under section 401(a) of the Internal Revenue Code ("IRC"), and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC and the Employee Retirement Income Security Act of 1974 to maintain its qualification.

The administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

(6) 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 their allocated Company contributions. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

(7) RISK AND UNCERTAINTIES:

The Plan invests in various 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 statement of net assets available for benefits.

(8) ADMINISTRATIVE FUNCTIONS:

Certain administrative functions are performed by key employees of the Company. No employee receives compensation from the Plan for performance of administrative functions.

(9) INFORMATION PREPARED AND CERTIFED BY TRUSTEE:

The Company has elected the method of compliance permitted by 29 CFR 2520.103-5 and 103.8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA of 1974. Accordingly, as permitted under such election, the following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the trustee and was not subjected to auditing procedures performed by the independent public accountants:

- Investments in stock & bond funds for the years ended December 31, 2011 and December 31, 2010.
- Investment in cash fund for the years ended December 31, 2011 and December 31, 2010.
- Net plan additions and total plan deductions for the years ended December 31, 2011 and December 31, 2010.
- Schedule of assets held at end of year, December 31, 2011.

(10) RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H, FORM 5500:

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

		December 31, 2011
Net assets available for benefits per the financial statements	$	288,478
Receivables, participant contributions		(23,163)
Cash fund		71
Investments in stock & bond funds		23,092
Net assets per Schedule H of Form 5500	$	288,478

(11) RELATED PARTY TRANSACTIONS:

The Plan contracts with Counsel Trust Company (dba Mid Atlantic Trust Company) to provide trustee and transmittal vendor services. Fees paid to Counsel Trust Company as of December 31, 2011 were $860. Counsel Trust Company qualifies as a party-in-interest to the Plan.

The Plan contracts with Paychex, Inc. and its wholly owned subsidiaries to provide legal, accounting, investment, insurance and administrative services. Fees paid to Paychex, Inc. for these services during 2011 were $2,824. Paychex, Inc. qualifies as a party-in-interest to the Plan.

AMERICAN FINANCIAL NETWORK, INC. **SCHEDULE I**
401(k) PROFIT SHARING PLAN & TRUST
FORM 5500, SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR

(a)	Identity of Issue, Borrower, Lessor, or Similar Party (b)	Description of Investment (c)	Cost (d)	Current Value (e)
-	RERCX American Funds Europacific Growth R3	Mutual Fund	(z)	12,671
-	RGACX American Funds Growth Fund Of America	Mutual Fund	(z)	6,821
-	RMFCX American Funds Mutual R3	Mutual Fund	(z)	63,641
-	ACKXX Federated Automated Cash Management R	Money Market Mutual Fund	(z)	2,392
-	KLCKX Federated Kaufman Large Cap R	Mutual Fund	(z)	17,637
-	KAUFX Federated Kaufmann R	Mutual Fund	(z)	16,896
-	FTRKX Federated Total Return Bond R	Mutual Fund	(z)	1,588
-	FHIRX Franklin High Income R	Mutual Fund	(z)	14,130
-	FRDRX Franklin Rising Dividends R	Mutual Fund	(z)	19
-	FVFRX Franklin Small Cap Value R	Mutual Fund	(z)	3,659
-	FUSRX Franklin Us Government Securities R	Mutual Fund	(z)	9,274
-	ALFRX Lord Abbett Alpha Strategy R3	Mutual Fund	(z)	1,266
-	LGORX Lord Abbett Growth Opportunities R3	Mutual Fund	(z)	3,317
-	LAURX Lord Abbett Income R3	Mutual Fund	(z)	219
-	LINRX Lord Abbett International Opportunities R3	Mutual Fund	(z)	893
-	LSSRX Lord Abbett Small-Cap Blend R3	Mutual Fund	(z)	1,626
-	LTRRX Lord Abbett Total Return R3	Mutual Fund	(z)	14,956
-	LVORX Lord Abbett Value Opportunities R3	Mutual Fund	(z)	186
-	TESRX Mutual Shares R	Mutual Fund	(z)	7,058
-	ODVNX Oppenheimer Developing Market N	Mutual Fund	(z)	34,164
-	OIGNX Oppenheimer International Growth N	Mutual Fund	(z)	2,908
-	ONRDX Oppenheimer Rising Dividends N	Mutual Fund	(z)	33,234
	Total Mutual Funds			248,555
	Loans receivable from participants	Interest rate range 4.00% to 4.5%	(z)	16,760
	Total assets held at year end			$ 265,315

(z) In accordance with DOL 29 CFR 2520.103-11, cost information may be omitted for participant-directed transactions.

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