

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), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>12/10/2010</u> and ending <u>12/09/2011</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 CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">002</td> </tr> <tr> <td colspan="2">1c Effective date of plan 12/10/1982</td> </tr> </table>	1b Three-digit plan number (PN) ▶	002	1c Effective date of plan 12/10/1982	
1b Three-digit plan number (PN) ▶	002				
1c Effective date of plan 12/10/1982					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) CARDONE INDUSTRIES, INC. 5501 WHITAKER AVENUE PHILADELPHIA, PA 19124	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 23-1916269</td> </tr> <tr> <td>2c Sponsor's telephone number 215-912-3000</td> </tr> <tr> <td>2d Business code (see instructions) 336300</td> </tr> </table>	2b Employer Identification Number (EIN) 23-1916269	2c Sponsor's telephone number 215-912-3000	2d Business code (see instructions) 336300	
2b Employer Identification Number (EIN) 23-1916269					
2c Sponsor's telephone number 215-912-3000					
2d Business code (see instructions) 336300					

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	CHARLES ROBBINS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	CHARLES ROBBINS
	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 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CARDONE INDUSTRIES, INC. 5501 WHITAKER AVENUE PHILADELPHIA, PA 19124	3b Administrator's EIN 23-1916269 3c Administrator's telephone number 215-912-3000
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 4284
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 2214
b Retired or separated participants receiving benefits.....	6b 466
c Other retired or separated participants entitled to future benefits.....	6c 1335
d Subtotal. Add lines 6a , 6b , and 6c	6d 4015
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 54
f Total. Add lines 6d and 6e	6f 4069
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 264
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: 1B 1G	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 12/10/2010 and ending 12/09/2011

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

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

A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>12</u> Day <u>10</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>37902772</u>
b Actuarial value	2b <u>35758439</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>361</u> <u>8019039</u>
b For terminated vested participants	3b <u>973</u> <u>9406701</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>664953</u>
(2) Vested benefits	3c(2) <u>26474077</u>
(3) Total active	3c(3) <u>2950</u> <u>27139030</u>
d Total	3d <u>4284</u> <u>44564770</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.46</u> %
6 Target normal cost	6 <u>1676491</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>09/28/2012</u>
Signature of actuary	Date
<u>SCOTT F. PORTER</u>	<u>11-05894</u>
Type or print name of actuary	Most recent enrollment number
<u>MILLIMAN, INC.</u>	<u>610-975-8070</u>
Firm name	Telephone number (including area code)
<u>1550 LIBERTY RIDGE DRIVE SUITE 200</u> <u>WAYNE, PA 19087-5572</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3221876	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	3221876	0
10	Interest on item 9 using prior year's actual return of <u>9.55</u> %	307689	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		2095947
b	Interest on (a) using prior year's effective rate of <u>6.76</u> %		141686
c	Total available at beginning of current plan year to add to prefunding balance		2237633
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	3529565	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	72.31 %
15	Adjusted funding target attainment percentage.....	15	72.31 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.17 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls		
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)
Totals ►		18(b)	0
		18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:			
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0	
b Contributions made to avoid restrictions adjusted to valuation date	19b	0	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	4065143	
20 Quarterly contributions and liquidity shortfalls:			
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No			
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No			
c If 20a is "Yes," see instructions and complete the following table as applicable:			
Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 6.40 %	3rd segment: 6.61 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	1676491
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	10553305	2052994
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	3729485
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	3729485
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	4065143
38 Interest-adjusted excess contributions for current year (see instructions).....	38	335658
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

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
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 12/10/2010 and ending 12/09/2011		
A Name of plan CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.		D Employer Identification Number (EIN) 23-1916269

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

PROFESSIONAL CAPITAL SERVICES, LLC

23-3038464

(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?
12 13 15 16 17 36 37 38 64	CONTRACT ADMIN	304698	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

TD AMERITRADE TRUST COMPANY

20-0937408

(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?
19	NONE	7531	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 ☐

(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.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2010 This Form is Open to Public Inspection
For calendar plan year 2010 or fiscal plan year beginning <u>12/10/2010</u> and ending <u>12/09/2011</u>		
A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	1869000	1167100
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	795851	4583249
	(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)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	35295899	34648560
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	37960750	40398909

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	37960750	40398909
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4267100	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4267100

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1255	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1255

(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)	815429	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		815429

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-968409
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4115375

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1362514	
(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)		1362514
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	304698	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	10004	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		314702
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1677216

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2438159
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MARCUM LLP

(2) EIN: 11-1986323

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 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)

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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 12/10/2010 and ending 12/09/2011

A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<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>84-0519832</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>213</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	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 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(es). 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

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

Schedule R (Form 5500) 2010
v.092308.1

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: 53% Investment-Grade Debt: 47% 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): _____

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Cardone Industries, Inc.
Union Employees' Pension Plan

We have audited the accompanying statements of net assets available for the benefits of the Cardone Industries, Inc. Union Employees' Pension Plan as of December 9, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Cardone Industries, Inc. Union Employees' Pension Plan as of December 9, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 9, 2011 and reportable (5%) transactions for the year ended December 9, 2011 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marcum LLP

Bala Cynwyd, PA
October 11, 2012

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 9, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments, at fair value:		
Money market funds	\$ 4,583,249	\$ 795,851
Mutual funds	<u>34,648,560</u>	<u>35,295,899</u>
Total Investments	39,231,809	36,091,750
Receivables:		
Employer contribution receivable	<u>1,167,100</u>	<u>1,869,000</u>
Net Assets Available for Benefits	<u>\$40,398,909</u>	<u>\$37,960,750</u>

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

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Additions to Net Assets Attributed to:		
Investment income:		
Interest and dividends	\$ 816,684	\$ 676,701
Net realized and unrealized (depreciation) appreciation	<u>(968,409)</u>	<u>2,482,618</u>
Total Investment (Loss) Income	(151,725)	3,159,319
Employer Contributions	<u>4,267,100</u>	<u>5,713,000</u>
Total Additions	<u>4,115,375</u>	<u>8,872,319</u>
Deductions from Net Assets Attributed to:		
Benefits paid directly to participants	1,362,514	882,378
Administrative expenses	<u>314,702</u>	<u>185,264</u>
Total Deductions	<u>1,677,216</u>	<u>1,067,642</u>
Net Increase	2,438,159	7,804,677
Net Assets Available for Benefits:		
Beginning	<u>37,960,750</u>	<u>30,156,073</u>
Ending	<u>\$40,398,909</u>	<u>\$37,960,750</u>

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

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 1 - DESCRIPTION OF THE PLAN

Pursuant to a collective bargaining agreement, Cardone Industries, Inc. (the "Company" and Plan Sponsor) established the Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan") effective December 10, 1982 and the most recent amendment is dated December 9, 2005.

Information regarding vesting and benefit provisions, the priority order of participants' claims to the assets of the Plan upon termination and the benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC), including the application of the PBGC guaranty to recent plan amendments, may be found in the plan agreement.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

GENERAL

The Plan is a noncontributory, defined benefit pension plan covering substantially all employees who are members of Service Employee's International Union Local #252 and employed by Cardone Industries, Inc. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

PLAN ADMINISTRATION

The Plan is administered by a committee appointed by the Board of Directors of the Company.

PENSION BENEFITS

For retirements on or after December 10, 1988, employees are entitled to monthly pension benefits beginning at normal retirement age (65) equal to \$13.50 multiplied by years of service and for retirements prior to December 10, 1988, the monthly benefit is \$7.00 to \$9.50 multiplied by years of service, subject to the amount in which the participant is vested. The Plan permits early retirement at ages 55-64. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PENSION BENEFITS (CONTINUED)

before rendering 15 years of service, they forfeit the right to early retirement. The normal form of payment to a retired participant of retirement benefits payable under the Plan is a monthly life annuity payable commencing on the participant's pension commencement date and terminating with the payment due immediately preceding death. A lump sum payment to a retired participant occurs when their accrued benefit is \$5,000 or less.

DEATH AND DISABILITY BENEFITS

If an active employee dies, a death benefit equal to the remaining value of the employee's accumulated pension benefits is paid to the employee's beneficiary at the earliest retirement age. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time the disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

FUNDING POLICY

The Company's funding policy is to make annual contributions to the Plan in amounts sufficient to provide benefits specified in the Plan and in accordance with the collective bargaining agreement. As of December 9, 2011 and 2010, the Plan is in compliance with the minimum funding requirements of ERISA.

Participants are not required or permitted to make contributions under the Plan.

VESTING

A participant becomes 20% vested after three years of credited service. Such vesting increases 20% each year thereafter until reaching 100% after seven years of credited service.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles ("GAAP").

USE OF ESTIMATES

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

In accordance with the policy of stating investments at current market value, net unrealized appreciation or depreciation for the year is included in the statement of changes in net assets available for benefits.

BENEFITS PAID DIRECTLY TO PARTICIPANTS

Benefit payments to participants are recorded when distributed.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADMINISTRATIVE EXPENSES

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Various transaction charges include distribution and investment fees and represent substantially all of the Plan's administrative expenses.

NOTE 3 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Fair Value Measurements

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 Fair Value Measurements

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.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements

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

The asset's 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 9, 2011 and 2010.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at quoted net asset values of the shares held by the Plan at year end.

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

The following table provides fair value measurement information for the Plan's major categories of financial assets measured on a recurring basis. During 2011 and 2010, there were no transfers of financial assets or liabilities between Levels within the fair value hierarchy.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value December 9, 2011	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non-active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments:				
Money market funds	<u>\$ 4,583,249</u>	<u>\$ 4,583,249</u>	<u>\$ --</u>	<u>\$ --</u>
Mutual funds:				
Bond	13,424,295	13,424,295		
Growth	14,164,725	14,164,725		
Income	5,078,680	5,078,680		
Capital appreciation	<u>1,980,860</u>	<u>1,980,860</u>	<u>--</u>	<u>--</u>
Total Mutual Funds	<u>34,648,560</u>	<u>34,648,560</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$39,231,809</u>	<u>\$39,231,809</u>	<u>\$ --</u>	<u>\$ --</u>

	Fair Value December 9, 2010	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non-active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments:				
Money market funds	<u>\$ 795,851</u>	<u>\$ 795,851</u>	<u>\$ --</u>	<u>\$ --</u>
Mutual funds:				
Bond	13,369,213	13,369,213		
Growth	14,939,087	14,939,087		
Income	5,296,871	5,296,871		
Capital appreciation	<u>1,690,728</u>	<u>1,690,728</u>	<u>--</u>	<u>--</u>
Total Mutual Funds	<u>35,295,899</u>	<u>35,295,899</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$36,091,750</u>	<u>\$36,091,750</u>	<u>\$ --</u>	<u>\$ --</u>

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 4 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the employees for services they have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on a retirement benefit formula equal to \$13.50 per month for each year of service with the Company and for retirements prior to December 31, 1988 the monthly benefit is \$7.00 to \$9.50 per month for each year of service. Benefits payable under all circumstances - retirement, death and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Funds that were allocated and applied to purchase annuities (whereby, TD Ameritrade was obligated to pay the related pension benefits) are excluded from the Plan's assets.

The actuarial present value of accumulated plan benefits is determined by the actuarial firm of Milliman, Inc. and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 10, 2011 and 2010 were (a) life expectancy of participants (the RP-2000 Healthy Annuitant Table was used), (b) retirement age assumptions vary from 55 to the normal retirement at age 65, and (c) investment return. The 2011 and 2010 valuations included assumed average rate of return of 5.77% and 7.0%, respectively. The foregoing actuarial assumptions were based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Accumulated plan benefits are summarized as follows:

	<u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits	\$51,666,403	\$40,247,140
Non-vested benefits	<u>513,202</u>	<u>631,806</u>
Actuarial Present Value of		
Accumulated Plan Benefits, total	<u>\$52,179,605</u>	<u>\$40,878,946</u>

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 5 - RECONCILIATION OF CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

	2011	2010
Actuarial present value of accumulated plan benefits at beginning of year	\$40,878,946	\$37,231,380
Increase (decrease) during plan year due to:		
Interest due to decrease in the discount period	2,814,645	2,575,836
Benefits accumulated	1,306,755	1,954,108
Benefits paid	(1,362,514)	(882,378)
Changes in assumptions	<u>8,541,773</u>	<u>--</u>
Actuarial Present Value of Accumulated Plan Benefits at end of year, total	<u>\$52,179,605</u>	<u>\$40,878,946</u>

All actuarial methods and assumptions used in the 2011 valuation were the same as used in the prior year except that the discount rate for determining the FASB ASC Topic 960 present value of accumulated plan benefits has been decreased from 7% per year to 5.77% per year.

NOTE 6 - PLAN TERMINATION

In the event that the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- 1) Benefits attributable to employee contributions, taking into account those paid out before termination;
- 2) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination;
- 3) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations;
- 4) All other vested benefits (that is, vested benefits not insured by the PBGC); and
- 5) All nonvested benefits.

Benefits to be provided via contracts under which the Company is obligated to pay the benefits would be excluded for allocation purposes.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 6 - PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, a statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2012 that ceiling is \$4,653 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 7 - INVESTMENTS

The following table presents the fair value of investments that represent 5% or more of the Plan's net assets at December 9:

	2011	2010
Money Market Funds:		
TD Bank USA Institutional MMF	\$4,579,531	**
Mutual Funds:		
American Bond Fund of America	**	\$6,652,510
American Capital World Bond Fund	**	1,942,238
American Capital World Growth & Income Fund	4,023,185	4,457,055
American Growth Fund of America	5,068,483	5,380,021
American Investment Company of America	5,078,680	5,296,871
Columbia Acorn Select Fund Class Z	2,812,533	2,725,191
Royce PA Mutual Fund Invest C	2,260,524	2,376,819
American Funds Short-Term Bond Fund	2,299,565	2,366,534
PIMCO Low Duration Fund Class A	2,343,909	2,407,932
Loomis Sayles Core Plus Bond Y	6,822,965	**

** Fair value less than 5%.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on October 28, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 9 - RELATED PARTY TRANSACTIONS

Certain plan investments are shares of funds managed by TD Ameritrade. TD Ameritrade is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$314,702 and \$185,264 for the years ended December 9, 2011 and 2010, respectively.

NOTE 10 - RISKS AND UNCERTAINTIES

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

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2011 AND 2010

NOTE 10 - RISKS AND UNCERTAINTIES (CONTINUED)

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 11 – PARTIAL PLAN TERMINATION

During 2011, the Company conducted a strategic realignment of its plant operations. As a result of the realignment, a significant amount of the participants in the Plan were terminated from the Company. The decrease in plan participants has been deemed a partial termination of the Plan. The affected participants were 100% vested in their account balances and accordingly, no further obligation was required of the Plan.

NOTE 12 - SUBSEQUENT EVENTS

The Plan's management has evaluated subsequent events to determine if events or transactions occurring through October 11, 2012, the date the financial statements were available for issuance, require potential adjustments to, or disclosure in, the accompanying financial statements. Based upon the evaluation, the Plan's management did not identify any subsequent events that require adjustment or disclosure in the financial statements.

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

EIN: 23-1916269

PLAN #002

**SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 9, 2011**

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	<u>Money Market Funds:</u>			
*	TD Ameritrade	TD Bank USA Institutional MMF	\$ 4,579,531	\$ 4,579,531
*	TD Ameritrade	TD Bank USA MMF	<u>3,718</u>	<u>3,718</u>
			<u>4,583,249</u>	<u>4,583,249</u>
	<u>Mutual Funds:</u>			
*	TD Ameritrade	American Capital World Growth & Income Fund	4,396,543	4,023,185
*	TD Ameritrade	American Growth Fund of America	5,217,203	5,068,483
*	TD Ameritrade	American Investment Company of America	5,196,485	5,078,680
*	TD Ameritrade	American New World Fund Class R-6	2,143,610	1,980,860
*	TD Ameritrade	American Short-Term Bond Fund	2,299,572	2,299,565
*	TD Ameritrade	American Capital World Bond Fund	1,943,782	1,957,856
*	TD Ameritrade	Columbia Acorn Select Fund Class Z	3,150,267	2,812,533
*	TD Ameritrade	PIMCO Low Duration Fund Class A	2,350,990	2,343,909
*	TD Ameritrade	Royce PA Mutual Fund Invest C	2,358,194	2,260,524
*	TD Ameritrade	Loomis Sayles Core Plus Bond Y	<u>6,803,524</u>	<u>6,822,965</u>
			<u>35,860,170</u>	<u>34,648,560</u>
			<u>\$40,443,419</u>	<u>\$39,231,809</u>

*Party-in-Interest

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

EIN: 23-1916269

PLAN #002

**SCHEDULE H - ITEM 4j - SCHEDULE OF REPORTABLE (5%) TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 9, 2011**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
TD Ameritrade	Loomis Sayles Core Plus Bond Y	\$6,810,944					\$6,810,944	
TD Ameritrade	American Bond Fund of America Class R-6		\$6,810,944			\$6,810,944		\$--

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 12/10/2010 and ending 12/09/2011

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

A Name of plan CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>12</u> Day <u>10</u> Year <u>2010</u>		
2 Assets:		
a Market value.....	2a	37,902,772
b Actuarial value.....	2b	35,758,439
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 361	8,019,039
b For terminated vested participants	3b 973	9,406,701
c For active participants:		
(1) Non-vested benefits.....	3c(1)	664,953
(2) Vested benefits.....	3c(2)	26,474,077
(3) Total active	3c(3) 2,950	27,139,030
d Total.....	3d 4,284	44,564,770
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate.....	5	6.46 %
6 Target normal cost.....	6	1,676,491

Statement by Enrolled Actuary

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

**SIGN
HERE***Scott Porter*

Signature of actuary

9/28/12

Date

SCOTT F. PORTER

11-05894

Type or print name of actuary

Most recent enrollment number

MILLIMAN, INC.

(610) 975-8070

1550 LIBERTY RIDGE DRIVE SUITE 200

Telephone number (including area code)

WAYNE

PA 19087-5572

Address of the firm

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3,221,876	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	3,221,876	0
10 Interest on item 9 using prior year's actual return of <u>9.55%</u>	307,689	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2,095,947
b Interest on (a) using prior year's effective rate of <u>6.76%</u>		141,686
c Total available at beginning of current plan year to add to prefunding balance		2,237,633
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	3,529,565	0

Part III Funding percentages

14 Funding target attainment percentage	14	72.31 %
15 Adjusted funding target attainment percentage	15	72.31 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.17 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

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

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4,065,143

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
3.92 %2nd segment:
6.40 %3rd segment:
6.61 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions)☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31**

1,676,491

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

10,553,305

2,052,994

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)**34**

3,729,485

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

0

0

0

36 Additional cash requirement (item 34 minus item 35)**36**

3,729,485

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37**

4,065,143

38 Interest-adjusted excess contributions for current year (see instructions)**38**

335,658

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0

2010 Schedule SB, Line 19 - Discounted Employer Contributions

Plan Name: Cardone Industries, Inc. Union Employees' Pension Plan

Plan Number: 002

Plan Sponsor's Name: Cardone Industries, Inc.

Employer Identification Number: 23-1916269

Days in 2010 Plan Year: 365
Days in 2011 Plan Year: 366
Effective Interest Rate: 6.46%
Valuation Date: 12/10/2010

<u>Contribution Date</u>	<u>Days to Valuation Date</u>	<u>Contribution</u>	<u>Discounted Contribution</u>	<u>Penalty Amount</u>	<u>Discounted Contribution with Penalty</u>
01/25/2011	46	\$275,000	\$272,839	\$0	\$272,839
02/23/2011	75	\$275,000	\$271,485	\$0	\$271,485
03/25/2011	105	\$275,000	\$270,092	(\$34)	\$270,058
04/25/2011	136	\$275,000	\$268,660	\$0	\$268,660
05/24/2011	165	\$275,000	\$267,327	\$0	\$267,327
06/24/2011	196	\$275,000	\$265,910	\$0	\$265,910
07/22/2011	224	\$275,000	\$264,636	\$0	\$264,636
08/24/2011	257	\$275,000	\$263,142	\$0	\$263,142
09/23/2011	287	\$300,000	\$285,591	\$0	\$285,591
10/21/2011	315	\$300,000	\$284,223	\$0	\$284,223
11/22/2011	347	\$300,000	\$282,667	\$0	\$282,667
12/23/2011	378	\$300,000	\$281,170	\$0	\$281,170
04/19/2012	496	\$95,000	\$87,258	\$0	\$87,258
05/11/2012	518	\$125,000	\$114,382	\$0	\$114,382
06/12/2012	550	\$125,000	\$113,758	\$0	\$113,758
06/26/2012	564	\$90,700	\$82,345	\$0	\$82,345
07/17/2012	585	\$215,700	\$195,129	\$0	\$195,129
08/03/2012	602	\$215,700	\$194,563	\$0	\$194,563
Totals		\$4,267,100	\$4,065,177	(\$34)	\$4,065,143

2009 Schedule SB, line 22, Description of Weighted Average Retirement Age

Plan Name: Cardone Industries, Inc. Union Employees Pension Plan

Plan Number: 002

Plan Sponsor's Name: Cardone Industries, Inc.

Employer Identification Number: 23-1916269

<u>Age</u>	<u>$q_x^{(n)}$</u>	<u>$p_x^{(n)}$</u>	<u>$l_x^{(n)}$</u>	<u>Weighted Average</u>
55	5%	95%	100%	2.75
56	5%	95%	95%	2.66
57	5%	95%	90%	2.57
58	5%	95%	86%	2.49
59	5%	95%	81%	2.40
60	5%	95%	77%	2.32
61	5%	95%	74%	2.24
62	15%	85%	70%	6.49
63	10%	90%	59%	3.74
64	10%	90%	53%	3.42
65	35%	65%	48%	10.94
66	25%	75%	31%	5.16
67	25%	75%	23%	3.93
68	25%	75%	18%	2.99
69	25%	75%	13%	2.27
70	100%	0%	10%	6.92
Weighted Average Age				63.29
Rounded				63.00

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the plan's existence until the last payment has been made to the last participant. The plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that the plan will be adequately and systematically funded and accounted for. PPA mandates the cost method to be used. Annual contributions are also affected by the "asset valuation method" (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the plan's ERISA funding requirements is the unit credit method, as required by the Pension Protection Act of 2006. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on service at both the beginning and the end of the current year. The plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's future benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the plan's ERISA funding requirements is equal to the Adjusted Market Value of Assets minus a decreasing fraction of the investment gain or loss for each of the two immediately preceding plan years, but it cannot be less than 90% nor more than 110% of the Adjusted Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7% per year) or the applicable statutory interest rate for the year. This method is specified in IRS Notice 2009-22 using a 24-month averaging period.

Changes in Actuarial Methods since Prior Valuation

None.

Interest Rates

- **For minimum funding purposes:** Segment interest rates (based on statutory rates in effect four months prior to beginning of Plan Year) of 3.92% per year for first 5 years, 6.40% per year for next 15 years, and 6.61% per year thereafter. The equivalent effective interest rate is 6.46% per year.
- **For FASB ASC Topic 960 purposes:** Discount rate of 7% per year.
- **For PBGC purposes:** 3.92% per year for first 5 years, 6.40% per year for next 15 years, and 6.61% per year thereafter. The PBGC Alternative Rule was adopted for the 2008 plan year.

Mortality

- **For minimum funding purposes:** Statutory static tables for 2010 based on RP-2000 Mortality Table projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants.
- **For FASB ASC Topic 960 purposes:** RP-2000 Mortality Table projected with Scale AA on a generational basis, with employee rates before termination and healthy annuitant rates after termination.

Turnover

Annual rates shown below:

Years of Employment	Rate
0 – 2	15.0%
3	13.0
4 – 5	11.0
6	10.0
7	8.5
8	7.0
9 – 10	6.5
11	6.5
12 or more	4.5

Retirement

Annual rates shown below for active participants who are eligible to retire:

Age	Rate
55 – 61	5%
62	15
63 – 64	10
65	35
66 – 69	25
70	100

The assumed retirement age is 65, or attained age if later, for terminated vested and disabled participants.

Form of Payment

Life annuity, unless the lump sum value is less than \$5,000 at termination or retirement. Lump sums are determined using the plan basis in effect for the 2010 plan year.

Marital Characteristics

- **For participants not in pay status:** 100% of participants are assumed to be married, with males 3 years older than females.
- **For participants in pay status:** Actual birth dates of spouses are included in the census data, where relevant.

Expenses

None assumed payable from the trust.

Benefits Not Valued

All benefits are valued.

Special Data Adjustments

For terminated vested participants who are beyond Normal Retirement Date and are currently less than age 80, an actuarial increase factor was applied to the vested accrued benefit.

Changes in Actuarial Assumptions since Prior Valuation

The statutory mortality table was updated for one additional year of assumed mortality improvement and the 3-tiered statutory segment rates changed from 5.12%, 6.74% and 6.83% to 3.92%, 6.40% and 6.61%, respectively based on elections made by the Plan Sponsor and the Pension Protection Act of 2006.

This summary of plan provisions is intended to only describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit, taking into account the Participant's Years of Service through the date of determination.

Actuarial Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump sum amounts, Actuarially Equivalent factors are based on the 1971 Group Annuity Mortality Table for Males projected by Scale E to 1976, with a one-year age setback and a 7.5% per year interest rate. For purposes of determining lump sum amounts, Actuarially Equivalent factors are based on the mortality table specified in IRS Notice 2008-85 and the statutory three-tier segment interest rates in effect for the first month prior to the beginning of the plan year.

Fiscal Year: The 12-month period beginning January 1 and ending December 31.

Plan Effective Date: The Plan became effective December 10, 1982. The Plan was last restated and amended effective December 10, 2000. The latest amendment is effective December 10, 2002.

Plan Year: The 12-month period beginning December 10 and ending December 9.

Vesting Service: A year of Vesting Service is credited for each calendar year in which 1,000 or more hours of service are credited to an employee.

Years of Service: A Year of Service is credited for each calendar year in which 1,000 or more hours of service are credited to a union employee. No partial Years of Service are credited.

Eligibility for Participation

Any employee who is a member of Service Employees' International Union Local 252 who has completed at least 1,000 hours of service during the 12-month period beginning with the employee's date of hire. Eligible employees become participants on the first of the month coincident or next following the date they become eligible.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following the later of attainment of age 65.

Normal Retirement Benefit: For retirement on or after December 10, 1988, a monthly benefit of \$13.50 multiplied by Years of Service. For retirement on or after December 10, 1986 but prior to December 10, 1988, a monthly benefit of \$9.50 multiplied by Years of Service. For retirement prior to December 10, 1986, a monthly benefit of \$7.00 multiplied by Years of Service.

Early Retirement

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 55 and completion of 15 years of Vesting Service.

Early Retirement Benefit: The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.

Deferred Retirement

Deferred Retirement Date: The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.

Deferred Retirement Benefit: The greater of (a) the Accrued Benefit determined as of the Deferred Retirement Date or (b) the Accrued Benefit determined as of the Normal Retirement Date and actuarially increased to the Deferred Retirement Date.

Termination

Termination Date: The date of termination of service other than for reasons of retirement, death, or disability.

Termination Benefit: The Accrued Benefit, multiplied by the Vested Percentage below, payable at the Normal Retirement Date, or received according to Early Retirement.

Years of Vesting Service	Vested Percentage
Less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

Preretirement Death

Preretirement Death Benefit Eligibility: Surviving spouses of participants with a vested Accrued Benefit who die before commencement of payments.

Preretirement Death Benefit: 50% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 50% survivor annuity, and died on that same date.

Disability Retirement

Disability Retirement Date: The first day of the month following termination of service due to a total and permanent disability that continued for six months.

Disability Retirement Benefit: The Actuarial Equivalent of the Accrued Benefit.

Forms of Payment

Normal Forms: Life annuity if single, Actuarially Equivalent joint and 50% survivor annuity if married.

Optional Forms: Life annuity; Actuarially Equivalent life annuity with 5 or 10 years certain; Actuarially Equivalent joint and 50%, 66-2/3%, 75%, or 100% survivor annuity.

Small Lump Sum: Payable if the Actuarially Equivalent present value of the vested Accrued Benefit is \$5,000 or less.

Changes in Plan Provisions since Prior Valuation

None.

2010 Schedule SB, line 26 - Schedule of Active Participant Data
 Cardone Industries, Inc. Union Employees' Pension Plan
 EIN/PN: 23-1916269/002

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	57	6	-	-	-	-	-	-	-	63
25-29	2	59	49	2	-	-	-	-	-	-	112
30-34	-	81	44	48	5	-	-	-	-	-	178
35-39	1	82	94	71	37	3	-	-	-	-	288
40-44	1	85	132	99	67	33	6	-	-	-	423
45-49	-	89	128	142	73	63	8	1	-	-	504
50-54	-	67	133	125	87	55	21	6	-	-	494
55-59	-	41	152	139	87	50	32	6	2	-	509
60-64	-	19	72	78	60	36	19	5	2	-	291
65-69	-	4	14	17	15	15	7	2	-	-	74
70&Up	-	-	2	6	2	1	3	-	-	-	14
Total	4	584	826	727	433	256	96	20	4	-	2,950

Exhibit 18

Shortfall Amortization

The amount needed to amortize the Funding Shortfall to the Applicable Funding Target, in combination with prior Shortfall amortizations, for the plan year beginning December 10, 2010 is determined below. The net Funding Shortfall is amortized in seven level payments using the interest rates assumed in determining the Applicable Funding Target for the current plan year.

1. Present Value of Remaining Prior Shortfall Amortizations

	Date Established	Amortization Amount	Years Remaining	Present Value Factor	Present Value
a.	December 10, 2008	\$1,092,899	5	4.63675	\$5,067,499
b.	December 10, 2009	481,239	6	5.37007	2,584,287
c.	Total	1,574,138			7,651,786

2. Shortfall Amortization for current plan year

a.	Applicable Funding Target	44,564,770
b.	Applicable Funding Target Percentage	96%
c.	Actuarial Value of Assets less Carryover and Prefunding Balances	32,228,874
d.	Funding Shortfall [(a) × (b) - (c), but not less than \$0]	10,553,305
e.	Net Funding Shortfall [if (d) > \$0, (d) - (1c), otherwise n/a]	2,901,519
f.	Amortization factor	6.05927
g.	Shortfall Amortization for current plan year [(e) ÷ (f)]	478,856

3. Total Shortfall Amortizations

[(1c) + (2g), but not less than \$0]	\$2,052,994
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**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

EIN: 23-1916269

PLAN #002

**SCHEDULE H - ITEM 4j - SCHEDULE OF REPORTABLE (5%) TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 9, 2011**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
TD Ameritrade	Loomis Sayles Core Plus Bond Y	\$6,810,944					\$6,810,944	
TD Ameritrade	American Bond Fund of America Class R-6		\$6,810,944			\$6,810,944		\$--

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN

EIN: 23-1916269

Plan Sponsor's Name CARDONE INDUSTRIES, INC.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade	TD Bank USA Inst MMDA	4,579,531	4,579,531
*	TD Ameritrade	TD Bank USA MMDA	3,718	3,718
*	TD Ameritrade	Royce Pennsylvania Mutual Fund	2,358,194	2,260,523
*	TD Ameritrade	PIMCO Low Duration Fund Class A	2,350,990	2,343,908
*	TD Ameritrade	Loomis Sayles Core Plus Bond Fund Y	6,803,524	6,822,965
*	TD Ameritrade	Columbia Acorn Select Fund Class Z	3,150,267	2,812,533
*	TD Ameritrade	American Funds Capital World Bond Fund	1,943,782	1,957,857

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name CARDONE INDUSTRIES, INC. UNION EES PENSION PLAN

EIN: 23-1916269

Plan Sponsor's Name CARDONE INDUSTRIES, INC.

PN: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade	American Funds Short Term Bond Fund of America	2,299,572	2,299,565
*	TD Ameritrade	American Funds New World Fund Class R-6	2,143,610	1,980,860
*	TD Ameritrade	American Funds Investment Company of America	5,196,485	5,078,681
*	TD Ameritrade	American Funds Growth Fund of America	5,217,203	5,068,483
*	TD Ameritrade	American Funds Capital World Growth and Income	4,396,543	4,023,185