Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/16/1960

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

BROOKSHIRE HOLDINGS, INC.

1600 W SOUTHWEST LOOP 323
TYLER, TX 75071

2b Employer Identification Number (EIN) 75-2894614

2c Sponsor's telephone number 903-534-3000

2d Business code (see instructions) 445110

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	CAROLYN HUTSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BROOKSHIRE HOLDINGS, INC.

1600 W SOUTHWEST LOOP 323
TYLER, TX 75071

3b Administrator's EIN
75-2894614

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	9065
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**	7896
b	Retired or separated participants receiving benefits	**6b**	366
c	Other retired or separated participants entitled to future benefits	**6c**	1101
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	9363
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	44
f	Total. Add lines **6d** and **6e**	**6f**	9407
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	9194
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	407
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2H 2I 2J 2K 2O 3H 3I

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

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2011** **This Form is Open to Public Inspection.**

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

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

ING INSTITUTIONAL PLAN SERVICES

45-3516284

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

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

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

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

ING INSTITUTIONAL PLAN SERVICES

04-3516284

(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?
20 37 64	RECORD KEEPER	707774	Yes [X] No [ ]	Yes [X] No [ ]		Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: SQUYRES, JOHNSON AND SQUYRES

b EIN: 75-0699590

c Position: ACCOUNTANT

d Address: 821 ESE LOOP 323
SUITE 460
TYLER, TX 75701

e Telephone: 903-591-2021

Explanation: THE FIRM ELECTED NOT TO SEND AN RFP PROPOSAL TO BID ON THE PLAN'S AUDIT

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: JP MORGAN STABLE ASSET INCOME FUND

b Name of sponsor of entity listed in (a): JP MORGAN

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
20-1978950-465	C	51146734

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4195554	3951033
(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)	217661	592075
(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)	15277697	15231363
(9) Value of interest in common/collective trusts	1c(9)	47360932	51146734
(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)	120903440	111677031
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	94426867	105651193
	(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	282382151	288249429
	Liabilities			
g	Benefit claims payable	1g	90456	81785
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	90456	81785
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	282291695	288167644

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4779098	
	(B) Participants	2a(1)(B)	14614929	
	(C) Others (including rollovers)	2a(1)(C)	444861	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		19838888
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	11	
	(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)	545955	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		545966
	(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)	1122433	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1122433
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	6740746	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	6420807	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		319939

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	11224326	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		11224326
(6) Net investment gain (loss) from common/collective trusts	2b(6)		957018
(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)		-4085942
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		29922628
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	23320399	
(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)		23320399
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		18506
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	707774	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		707774
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		24046679
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		5875949
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BKD, LLP (2) EIN: 44-0160260

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) **4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) **4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) **4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) **4d**		X	
e	Was this plan covered by a fidelity bond? **4e**	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? **4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? **4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? **4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) **4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) **4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? **4k**		X	
l	Has the plan failed to provide any benefit when due under the plan? **4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) **4m**			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. **4n**			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Distributions

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

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

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

EIN(s): 04-3581074 04-3253929

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

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

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

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

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

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

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

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a** 0

b Enter the amount contributed by the employer to the plan for this plan year **6b** 0

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

EIN 75-2894614 PN 001

Accountants' Report and Financial Statements

December 31, 2011 and 2010

BKD LLP
CPAs & Advisors

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

December 31, 2011 and 2010

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BKD LLP
CPAs & Advisors

14241 Dallas Parkway, Suite 1100
Dallas, TX 75254-2961
972.702.8262 Fax 972.702.0673 www.bkd.com

Independent Accountants' Report

Plan Committee
Brookshire's Employee Stock Ownership and 401(k) Plan
Tyler, Texas

We were engaged to audit the accompanying statement of net assets available for benefits of Brookshire's Employee Stock Ownership and 401(k) Plan (the Plan) as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended and the accompanying supplemental schedule. These financial statements and schedule are the responsibility of the Plan's management. Other accountants were engaged to audit the financial statements of Brookshire's Employee Stock Ownership and 401(k) Plan as of and for the year ended December 31, 2010, whose report dated October 12, 2011, did not express an opinion on those financial statements as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the plan administrator instructed us not to perform, and we did not perform, auditing procedures with respect to the information summarized in *Note 3* and notes receivable from participants, which was certified by Texas Bank and Trust and ING National Trust (agent for State Street Bank and Trust Company acting as custodian), the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustees as of and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustees is complete and accurate,

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2011 financial statements taken as a whole. The accompanying supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements but is 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*. Because of the significance of the matter described above, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above. The form and content of the information included in the 2011 financial statements and schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974.*

BKD, LLP

Dallas, Texas
October 15, 2012

Federal Employer Identification Number: 44-0160260

experience BKD

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

Assets

	2011	2010
Investments, At Fair Value	$ 269,067,033	$ 262,908,900
Receivables		
Employer's contribution	3,951,033	4,195,554
Notes receivable from participants	15,231,363	15,277,697
	19,182,396	19,473,251
Total assets	288,249,429	282,382,151

Liabilities

Refund of Excess Contributions	81,785	90,456
Net Assets Available for Benefits	$ 288,167,644	$ 282,291,695

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2011 and 2010

	2011	2010
Investment Income		
Net appreciation in fair value of investments	$ 8,415,341	$ 19,116,658
Dividends	1,122,444	924,052
Net investment income	9,537,785	20,040,710
Interest Income on Notes Receivable from Participants	545,955	666,306
Contributions		
Participants	14,614,929	14,327,296
Employer	4,779,098	5,195,554
Rollovers	444,861	38,166
Total contributions	19,838,888	19,561,016
Total additions	29,922,628	40,268,032
Deductions		
Benefits paid to participants	23,338,905	22,982,020
Administrative expenses	707,774	251,256
Total deductions	24,046,679	23,233,276
Net Increase	5,875,949	17,034,756
Net Assets Available for Benefits, Beginning of Year	282,291,695	265,256,939
Net Assets Available for Benefits, End of Year	$ 288,167,644	$ 282,291,695

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

Notes to Financial Statements

December 31, 2011 and 2010

Note 1: Description of the Plan

The following description of Brookshire's Employee Stock Ownership and 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan document and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the plan administrator.

General

Brookshire Holdings, Inc. (the Company) established the Brookshire's Employee Stock Ownership and 401(k) Plan on September 16, 1960. The Plan was most recently amended and restated effective January 1, 2010. The Plan is a combination 401(k) and stock bonus plan under Code Section 401(a) and an employee stock ownership plan (ESOP) as defined in Code Section 4975(e)(7) and is designed to comply with these sections and regulations of the Internal Revenue Code (IRC). The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

Texas State Bank and Trust (Texas Bank) is a trustee and the custodian of the ESOP assets of the Plan. ING National Trust (ING) is a trustee for assets other than ESOP assets under an agreement with State Street Bank and Trust (State Street). State Street serves as custodian of the 401(k) assets of the Plan. Benefit Trust Company serves as recordkeeper for the Plan.

Participation

The Plan is a defined contribution plan sponsored by the Company for the benefit of its full-time employees who have at least 90 days of service and are age 18 or older or for part-time employees who have at least one-year of service and are age 21 or older. Participation is mandatory.

Unallocated and Allocated Shares

The Company has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan (see *Note 4*) as of December 31, 2011 and 2010, and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

- The accounts of employees with vested rights in allocated stock (Allocated)
- Stock not yet allocated to employees (Unallocated)

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual pretax contributions of up to 50% of eligible compensation and post-tax contributions of up to 20% of eligible compensation. Participants who have attained the age of 50 are eligible for catch-up contributions. Employee rollover contributions are also permitted.

The Company makes matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' compensation and profit-sharing contributions. The Company's profit-sharing contributions are discretionary as determined by the Company's Board of Directors. Contributions are subject to certain limitations. Forfeitures may be used to reduce the Company's contributions. Only those participants who are eligible employees of the Company on the last day of the plan year will receive an allocation of the Company's matching contributions and any discretionary contributions. Allocations will be based upon the participant's compensation or account balance, as defined by the plan document. During the years ended December 31, 2011 and 2010, the Company contributed cash of $4,779,098 and $5,195,554, respectively.

Participant Investment Account Options

Investment account options available include various funds. Participants have the option of directing their contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, plan earnings and forfeitures of terminated participant's nonvested accounts as provided for by the Company and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the plan document. The benefits to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions plus earnings thereon. Vesting in the Company's contribution portion of their accounts plus earnings thereon is based on years of continuous service. If a participant is credited with an hour of service after December 31, 2001, the participant is not vested until after three years of service. If a participant is not credited with an hour of service after December 31, 2001, the participant is not vested until after five years of service. The nonvested balance is forfeited upon termination of service.

Payment of Benefits

Upon termination of service, participants whose vested plan benefits are less than $1,000 will receive a lump-sum distribution equal to the vested portion of their account. A participant with a vested account value of $1,000 or more whose service ends due to death, disability or retirement may elect to receive either a lump-sum payment equal to the value of their account or periodic payments for a period of two years or to the life expectancy of the spousal beneficiary or the joint life expectancy of the participant and the spousal beneficiary.

If a participant with a vested ESOP account balance of $5,000 or more whose period of service ends for any reason other than death, disability or retirement, then the distribution will be made in substantially equal annual installments over a period ranging from five years to the joint life expectancy of the participant and the participant's beneficiary. A participant's balance in their ESOP account will be distributed in cash unless an election is made to receive such distributions in the form of whole shares of the Company stock. Fractional shares will be paid in cash.

At December 31, 2011 and 2010, plan assets include $1,513,616 and $745,873, respectively, allocated to accounts of terminated or retired participants who have not yet been paid.

Forfeited Accounts

At December 31, 2011 and 2010, forfeited nonvested accounts totaled $130,852 and $253,871, respectively. These accounts may be used to reduce future Company contributions. In 2011 and 2010, the Company's contributions were reduced by $255,035 and $0, respectively, from forfeited nonvested accounts.

Notes Receivable from Participants

Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be $1,000. The maximum amount of a participant's loans is determined by the available loan balance restricted to the lesser of $50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on local prevailing rates as determined by the plan administrator.

Voting Rights

All shares of the Company stock shall be voted as directed by the plan committee (as appointed by the Company's Board of Directors). However, in limited circumstances as set forth in the plan document, participants may have the right to direct the voting of any of the Company stock allocated to their discretionary and matching ESOP stock accounts. Any of the Company stock not allocated to a participant's ESOP account shall be voted as the plan committee directs.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Beginning in 2013, each qualified participant will have the right to diversify the investment of a portion of the value of their discretionary Company stock and matching Company stock account balances. Qualified participants are participants who are at least age 55 with at least ten years of participation in the Plan. Diversification is offered to each eligible participant over a six-year period. Under diversification, the qualified participant may elect to reinvest the annual affected portion of their Company stock account balances into the 401(k) investment options offered by the Plan. In each of the first five years, a participant may diversity up to 25% of their ESOP Company stock balances. In the sixth year, the percentage increases to 50%.

Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in an investment contract through a collective trust. The fair value of the investment in the collective trust approximates the contract value of the investment. As a result, no adjustment of the fully benefit-responsive investment in the collective trust from fair value to contract value has been made on the accompanying statements of net assets available for benefits. The accompanying statements of changes in net assets available for benefits are prepared on the fair value basis.

Use of Estimates

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

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the plan at year-end.

The Plan's interest in the collective trust is valued based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

The Plan invests in the Company's common stock which is not actively traded. However, the fair value of the stock was based upon an independent appraisal performed for the Plan. This appraisal was based upon a combination of the guideline publicly traded company method and the discounted cash flow method consistent with prior years. This methodology results in a publically traded equivalent value. As there is a limited market for the Company common stock, the value was then discounted to reflect the impact of limited marketability. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of the Company's assets and liabilities. The most recent determination was made as of September 30, 2011, for the valuation used for the Plan as of December 31, 2011, consistent with prior years.

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

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans may be reclassified as distributions based upon the terms of the plan document.

Plan Tax Status

The Plan obtained its latest determination letter on November 12, 2003, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the IRC and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP 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 taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

Reclassifications

Certain reclassifications have been made to the 2010 financial statement to conform to the 2011 financial statement presentation. These reclassifications had no effect on changes in net assets available for benefits.

Note 3: Investments

The Plan's investments are held by Texas Bank and State Street. The fair value of the Plan's investments at the end of the year is as follows:

	2011	2010
Common collective trust	$ 51,146,734	$ 47,360,932
Mutual funds	111,677,031	120,903,440
Money market fund	592,075	217,661
Company common stock	105,651,193	94,426,867
	$ 269,067,033	$ 262,908,900

The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	2011	2010
Common collective trust	$ 957,018	$ 1,061,475
Mutual funds	(3,766,003)	13,257,090
Company common stock	11,224,326	4,798,093
	$ 8,415,341	$ 19,116,658

Brookshire's Employee Stock Ownership and 401(k) Plan (Participant and Nonparticipant-Directed)

Notes to Financial Statements

December 31, 2011 and 2010

The following amounts are ESOP investments, included in the table of investments held as shown on the previous page:

	2011		2010	
	Allocated	Unallocated	Allocated	Unallocated
Brookshire Holdings, Inc.				
Number of shares – common stock	1,774,061	7,578	1,781,639	-
Cost	$ 85,249,263	$ 3,626	$ 85,198,869	$ -
Fair value	$ 105,201,832	$ 449,361	$ 94,426,867	$ -
Money market funds Cost (approximates fair value)	$ 209,770	$ 382,305	$ 217,661	$ -
Total fair value	$ 105,411,602	$ 831,666	$ 94,644,528	$ -

The fair value of individual investments that represented 5% or more of the Plan's net assets available for benefits were as follows:

	2011	2010
* Brookshire Holdings, Inc.	$ 105,651,193	$ 94,426,867
JP Morgan Stable Asset Income Fund Select	$ 51,146,734	$ 47,360,932
Dodge & Cox Income Fund	$ 34,062,578	$ 33,620,762
Artio International Equity	$ 16,317,174	$ 22,354,331
Ashton/Montag & Caldwell Large Cap Growth Investment Fund	$ 16,147,912	$ 17,747,539
Invesco Van Kampen American Growth & Income Fund	$ 14,934,381	$ 17,458,548

* Nonparticpant directed investment

Interest and dividends realized on the Plan's investments for the years ended December 31, 2011 and 2010, were $1,122,444 and $924,052, respectively.

Information on the fully benefit-responsive contract relating to the common collective trust fund portion carried at fair value is as follows:

	2011	2010
Average yield	1.56%	2.81%
Crediting interest rate at December 31	2.18%	2.47%
Fair value approximates contract value	$ 51,146,734	$ 47,360,932

Note 4: Nonparticipant-Directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

	2011		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 209,770	$ 382,305	$ 592,075
Employer contribution receivable	3,951,033	-	3,951,033
Common stock – Brookshire Holdings, Inc.	105,201,832	449,361	105,651,193
Total net assets	$ 109,362,635	$ 831,666	$ 110,194,301

	2010		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 217,661	$ -	$ 217,661
Employer contribution receivable	4,195,554	-	4,195,554
Common stock – Brookshire Holdings, Inc.	94,426,867	-	94,426,867
Total net assets	$ 98,840,082	$ -	$ 98,840,082

	2011		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer contributions	$ 4,779,098	$ -	$ 4,779,098
Net appreciation	11,224,326	-	11,224,326
Dividends	1,122,444	-	1,122,444
Other transfers, disbursements and forfeitures	(859,180)	831,666	(27,514)
Benefits paid to participants	(5,744,135)	-	(5,744,135)
Total changes in net assets	$ 10,522,553	$ 831,666	$ 11,354,219

	2010		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer contributions	$ 5,195,554	$ -	$ 5,195,554
Net appreciation	4,798,093	-	4,798,093
Dividends	924,052	-	924,052
Interest	1,045	-	1,045
Other transfers, disbursements and forfeitures	(77,540)	-	(77,540)
Benefits paid to participants	(5,068,053)	-	(5,068,053)
Total changes in net assets	$ 5,773,151	$ -	$ 5,773,151

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan owns shares of the Company's common stock. During 2010, 29,585 shares of the Company stock was acquired by the Plan as a result of the Company's funding of their match with treasury stock held by the Company. No shares of the Company's common stock were acquired by the Plan in 2011.

The Company provides certain administrative services at no cost to the Plan.

Note 6: Fair Value of Plan Assets and Liabilities

Accounting Standards Codification Topic 820, *Fair Value Measurements*, defines fair value as 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. Topic 820 also specifies a fair value hierarchy which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include the common collective trust. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Level 3 securities include the Company's common stock. See *Note 2* for discussions of fair value measurements of Level 2 and Level 3 investments.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

		2011 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Bond	$ 34,062,578	$ 34,062,578	$ -	$ -
Blend	35,210,128	35,210,128	-	-
Equity	16,147,912	16,147,912	-	-
Growth	20,318,040	20,318,040	-	-
Value	5,938,373	5,938,373	-	-
	111,677,031	111,677,031	-	-
Common stock – related party	105,651,193	-	-	105,651,193
Common collective trust	51,146,734	-	51,146,734	-
Money market fund	592,075	592,075	-	-
	$ 269,067,033	$ 112,269,106	$ 51,146,734	$ 105,651,193

		2010 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Bond	$ 33,620,762	$ 33,620,762	$ -	$ -
Blend	34,764,270	34,764,270	-	-
Equity	17,747,539	17,747,539	-	-
Growth	25,677,168	25,677,168	-	-
Value	9,093,701	9,093,701	-	-
	120,903,440	120,903,440	-	-
Common stock – related party	94,426,867	-	-	94,426,867
Common collective trust	47,360,932	-	47,360,932	-
Money market fund	217,661	217,661	-	-
	$ 262,908,900	$ 121,121,101	$ 47,360,932	$ 94,426,867

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of net assets available for benefits using significant unobservable (Level 3) inputs:

Balance, January 1, 2010	$ 88,128,316
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	4,798,093
Purchases	1,500,458
Balance, December 31, 2010	94,426,867
Total realized and unrealized gains and losses included in net increase in net assets available for benefits	11,224,326
Balance, December 31, 2011	$ 105,651,193

For the years ended December 31, 2011 and 2010, realized and unrealized gains and losses included in net increase in net assets available for benefits for the period from January 1, 2010 through December 31, 2011, are reported in net appreciation in fair value of investments in the accompanying statements of changes in net assets available for benefits.

Note 7: Current Economic Conditions

The current protracted economic environment continues to present employee benefit plans with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments. The accompanying financial statements have been prepared using values and information currently available to the Plan.

Given the volatility of current economic conditions, the values of assets recorded in the accompanying financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 8: 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 participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits.

Note 9: Subsequent Events

Subsequent events have been evaluated through October 15, 2012, which is the date the financial statements were available to be issued.

Supplemental Schedule

Brookshire's Employee Stock Ownership and 401(k) Plan
(Participant and Nonparticipant-Directed)

EIN 75-2894614 PN 001

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

December 31, 2011

	Identity of Issuer	Description of Investment	Cost	Current Value
	Mutual Funds			
	Dodge & Cox Income Fund	2,561,096 shares	**	$ 34,062,578
	Morgan Stanley Inst Fund Small Company Growth Portfolio	456,242 shares	**	5,383,659
	Goldman Sachs Small Cap Value Fund	145,477 shares	**	5,938,373
	Invesco Van Kampen American Growth & Income Fund	804,221 shares	**	14,934,381
	Ashton/Montag & Caldwell Large Cap Growth Investment Fund	1,181,266 shares	**	16,147,912
	Artio International Equity	738,334 shares	**	16,317,174
	Vanguard Institutional Index Fund	92,158 shares	**	10,601,850
	Blackrock Strategic Completion Fund	875,513 shares	**	8,291,104
	Money Market Fund			
	Blackrock Tempfund Instl #024	592,075 shares	592,075	592,075
	Common Collective Trust			
	JP Morgan Stable Asset Income Fund Select	123,776 shares	**	51,146,734
	Common Stock			
*	Brookshire Holdings, Inc.	1,781,639 shares	85,252,889	105,651,193
*	**Participant Loans**	3.25% – 9.0%		15,231,363
				$ 284,298,396

* Party-in-interest

** Cost information may be omitted for participant or beneficiary-directed transactions under an individual account plan.

Brookshire's Employee Stock Ownership and 401(k) Plan
(Participant and Nonparticipant-Directed)

EIN 75-2894614 PN 001

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	Identity of Issuer	Description of Investment	Cost	Current Value
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	Blackrock Tempfund Instl #024	592,075 shares	592,075	592,075
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