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;
- [ ] 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
PFS GROUP DEFINED BENEFIT PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2010

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

G & G ORGANIZATION, LTD. DBA PFS GROUP

7670 WOODWAY DR., STE 250
HOUSTON, TX 77063

7670 WOODWAY DR., STE 250
HOUSTON, TX 77063

2b Employer Identification Number (EIN)
76-0779526

2c Sponsor's telephone number
713-784-4410

2d Business code (see instructions)
561440

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	SHERRY SIMMONS
	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")
G & G ORGANIZATION, LTD.

7670 WOODWAY DR., STE 250
HOUSTON, TX 77063

3b Administrator's EIN
76-0779526

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**	126
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**	161
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	161
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	161
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1C 1G 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

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

▶ **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
PFS GROUP DEFINED BENEFIT 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
G & G ORGANIZATION, LTD. DBA PFS GROUP

D Employer Identification Number (EIN)
76-0779526

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 31 Year 2011

2 Assets:

a	Market value	**2a**	84855
b	Actuarial value	**2b**	84855

3 Funding target/participant count breakdown:

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	0	0
b	For terminated vested participants	**3b**	0	0
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		
	(2) Vested benefits	**3c(2)**		101889
	(3) Total active	**3c(3)**	161	101889
d	Total	**3d**	161	101889

4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5	Effective interest rate	**5**	5.28 %
6	Target normal cost	**6**	70345

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

09/08/2012
Signature of actuary — Date

CLIFF WOODHALL, EA, MSPA, CPC
Type or print name of actuary

11-06783
Most recent enrollment number

LOREN D. STARK COMPANY
Firm name

281-498-5777
Telephone number (including area code)

10750 ROCKLEY ROAD
HOUSTON, TX 77099
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 [ ]

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 (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 0.00%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		1444
b	Interest on (a) using prior year's effective rate of 6.27 % except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		1444
d	Portion of (c) to be added to prefunding balance		1444
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1444

Part III Funding percentages

14	Funding target attainment percentage	14	81.78 %
15	Adjusted funding target attainment percentage	15	122.94 %
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	100.00 %
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
07/20/2012	138323	0			
			Totals ► 18(b)	138323	18(c)

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 contributions 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	134459

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
1.99%	5.12%	6.24 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	62

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	70345
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	18554	2932
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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	73277

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			

36 Additional cash requirement (line 34 minus line 35)	**36**	73277
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	134459

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	61182
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

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

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

A Name of plan
PFS GROUP DEFINED BENEFIT PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
G & G ORGANIZATION, LTD. DBA PFS GROUP

D Employer Identification Number (EIN)
76-0779526

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	69529	138323
(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)	489	14309
(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)	13786	70546
(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)		
(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	83804	223178
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 through1j)	1k		
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	83804	223178

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)	138323	
(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)		138323
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1316	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1316
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		38
c Other income	2c		95
d Total income. Add all **income** amounts in column (b) and enter total	2d		139772
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	398	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		398
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		398
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		139374
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) [X] 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 [X] No

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

(1) Name: MILLER & GROSSBARD & ASSOCIATES PC (2) EIN: 76-0348240

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

PFS GROUP DEFINED BENEFIT PENSION PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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All other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are not applicable and have been omitted.

M I L L E R G R O S S B A R D & A S S O C I A T E S

BUSINESS ADVISORS/CERTIFIED PUBLIC ACCOUNTANTS
CERTIFIED VALUATION ANALYSTS
A PROFESSIONAL CORPORATION

Independent Auditors' Report

To the PFS Group Defined Benefit Pension Plan and Participants
Houston, Texas

We have audited the accompanying statements of net assets available for plan benefits and of accumulated plan benefits of PFS Group Defined Benefit Pension Plan (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the year ended December 31, 2011. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial status of the PFS Group Defined Benefit Pension Plan as of December 31, 2011 and 2010, and the changes in its financial status for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted 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 and Reportable Transactions, referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the basic 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. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Miller Grossbard + Associates, P.C.

Houston, Texas
October 15, 2012

Miller Grossbard & Associates, P.C.
Certified Public Accountants

2204 LOUISIANA, SECOND FLOOR, HOUSTON, TEXAS 77002-8655, 713-622-3960 FAX: 713-622-4082
WWW.MILLERGROSSBARD.COM

PFS GROUP DEFINED BENEFIT PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Money market funds	$ 14,309	$ 489
Mutual funds	70,546	13,786
Total investments	84,855	14,275
Employer contribution receivable	138,323	69,529
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 223,178	$ 83,804

See notes to financial statements.

PFS GROUP DEFINED BENEFIT PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ADDITIONS TO NET ASSETS		
Employer contribution	$	138,323
Investment income		
Dividends		1,316
Net appreciation in fair value of investments		38
Other income		95
Total Additions to Net Assets		139,772
DEDUCTIONS FROM NET ASSETS		
Administrative expenses		398
Total Deductions from Net Assets		398
NET INCREASE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS		139,374
NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR		83,804
NET BENEFITS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	$	223,178

See notes to financial statements.

PFS GROUP DEFINED BENEFIT PENSION PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Participants currently receiving benefits	$ -	$ -
Other participants	-	-
	-	-
Nonvested benefits	93,174	39,712
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 93,174	$ 39,712

See notes to financial statements.

PFS GROUP DEFINED BENEFIT PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	$	39,712
Increase during the year attributable to:		
Change in actuarial assumptions		10,111
Benefits accumulated		38,054
Increase for interest due to the decrease in the discount period		5,297
Net increase		53,462
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	$	93,174

See notes to financial statements.

NOTE 1 - PLAN DESCRIPTION

The following description of the PFS Group Defined Benefit Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General
The Plan is a noncontributory cash balance defined benefit pension plan covering substantially all employees of G&G Organization, Ltd. dba PFS Group and G&G GP, LLC (the "Plan sponsors" or the "Employers"). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits
Plan benefits are calculated based on a cash balance formula where participants earn additions to a hypothetical account based on a percentage of compensation according to their group classification and a 5% interest credit.

Employees are entitled to annual pension benefits upon retirement. In addition, a participant who has attained age 62 with five years of participation may elect to receive a payment of the accrued benefit. A Plan participant is 100% vested after three years of credited service. Married participants will generally receive the value of their accumulated plan benefits in the form of a joint and survivor annuity. Unmarried participants will generally receive the value of their accumulated plan benefits in the form of a life annuity payable monthly from retirement.

Death and Disability Benefits
Disability retirement benefits shall be equal to the actuarial equivalent of the disabled participant's vested accrued benefit. Death benefits under the Plan shall be equal to the actuarial equivalent of the accrued benefit earned to date of death.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America, which is acceptable under the Department of Labor Rules and Regulations.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Investments
Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements. In accordance with the policy of stating investments at fair value, net unrealized appreciation or depreciation is included in the carrying value of related investments in the statement of net assets available for plan benefits and the changes in the net unrealized appreciation or depreciation are reflected in the statement of changes in net assets available for plan benefits.

Actuarial Present Value of Accumulated Benefits
Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the service employees 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. Each participant's accrued benefit shall be equal to such participant's hypothetical account balance. The vested portion of a participant's accrued benefit shall be reduced by the actuarial equivalent of the participant's vested account balance attributable to employer contributions in the PFS Group 401(k) Plan. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary 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 31, 2011 and 2010 were (a) life expectancy of participants (2011 and 2010 Applicable Mortality Table from Rev Rul 2007-67), (b) retirement age assumptions (assumed retirement age is 62), and (c) investment return. Both the December 31, 2011 and 2010 valuations included an assumed average rate of return of 3%. The foregoing actuarial assumptions are 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.

Payment of Benefits
Benefit payments to participants are recorded upon distribution.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results could differ from those estimates.

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 plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are 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.

Uncertain Tax Positions
The provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC 740") require the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. Only tax positions that meet the more likely than not recognition threshold may be recognized.

The plan administrator does not believe that the Plan has any material uncertain tax positions at December 31, 2011; however, the Plan's tax return for the year ending December 31, 2010 is still subject to examination by relevant taxing authorities.

Date of Management's Review
The plan administrator has evaluated subsequent events through October 15, 2012, the date which the financial statements were available to be issued.

NOTE 3 – FUNDING POLICY

No contribution shall be required under the Plan from any participant. The Plan sponsor's funding policy is to make annual contributions to the Plan in amounts sufficient to ensure that all participants" benefits will be fully provided for by the time they retire, determined by accepted actuarial methods and assumptions. The Employers' contributions for the year ended December 31, 2011 exceeded the minimum funding requirements of ERISA.

Although it has not expressed any intention to do so, the Plan Sponsors have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

NOTE 4 – PLAN TERMINATION

In the event 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:

a. Annuity benefits 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 have been payable under plan provisions in effect at any time during the five years preceding plan termination.

b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).

c. All other vested benefits (that is, vested benefits not insured by the PBGC.)

d. All nonvested benefits.

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 2011, that ceiling was $4,500 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).

NOTE 4 – PLAN TERMINATION (CONTINUED)

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. Benefit improvements attributable to Plan amendments effective within five years of plan termination may not be fully guaranteed by the PBGC.

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 5 – INVESTMENTS

The following table presents the fair value of investments that represent 5% or more of net assets available for plan benefits at December 31:

	2011	2010
Mutual funds		
Individual Assets representing 5% or more of net assets		
Pimco Emerging Markets Currency	$ 12,942	$ -
Ishares TR S&P 500 Growth Index Fund	36,412	13,786
Money market funds	14,309	-

NOTE 6 - TAX STATUS

Subsequent to December 31, 2011, the Plan obtained a determination letter dated April 19, 2012 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 administrator believes that the Plan is 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.

NOTE 7 – UNINSURED CASH

The Plan maintains cash balances in a money market account at a brokerage firm which is not insured by the Federal Deposit Insurance Corporation or any other governmental body. At December 31, 2011 and 2010, the Plan had uninsured cash balances of $14,309 and $489, respectively.

NOTE 8 - FAIR VALUE DISCLOSURES

ASC Topic 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy under ASC 820-10 are described below:

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

Level 2 – Other significant observable inputs (including quoted prices in active markets for similar assets or liabilities), 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. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The fair values of investments are categorized as follows at December 31:

	2011	2010
Mutual funds:		
International	$ 15,243	$ -
Equities - large cap	36,412	13,786
Fixed income	5,949	-
Currency	12,942	-
Money market fund	14,309	489
	$ 84,855	$ 14,275

All investments in mutual funds held by the Plan are quoted in the active markets using Level 1 inputs. Shares of the institutional money market account are valued at cost plus accrued interest, which approximates fair value.

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SUPPLEMENTAL INFORMATION

PFS GROUP DEFINED BENEFIT PENSION PLAN
SPONSOR'S EIN: 76-0779526
PLAN NUMBER: 002
SCHEDULE H, LINE 4I-SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(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
	Federated Capital Reserves	Money Market Fund (14,309 shares)	$ 14,309	14,309
	First Eagle Overseas Fund	Mutual Fund (363 shares)	8,003	7,397
	Harbor International Fund	Mutual Fund (150 shares)	8,019	7,846
	Harbor High Yield Bond Fund Instl	Mutual Fund (562 shares)	6,019	5,949
	Pimco Emerging Markets Currency	Mutual Fund (1,306 shares)	14,019	12,942
	Ishares TR S&P 500 Growth Index Fd	Mutual Fund (540 shares)	34,211	36,412
				$ 84,855

See independent auditors' report on supplemental information.

PFS GROUP DEFINED BENEFIT PENSION PLAN
SPONSOR'S EIN: 76-0779526
PLAN NUMBER: 001
SCHEDULE H, LINE 4J -SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2011

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Lincoln Investment Planning	Harbor High Yield Bond Fund Instl Class	$6,019	-	-	-	-	$6,019	-
Lincoln Investment Planning	Harbor International Fund Institutional Class	8,019					8,019	
Lincoln Investment Planning	Ishares TR S&P 500 Growth Index	20,664					20,664	
Lincoln Investment Planning	First Eagle Overseas Fund Class A	8,003					8,003	
Lincoln Investment Planning	Pimco Emerging Markets Currency Fund Class A	14,019					14,019	

EIN 76-0779526 /PN 002

Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	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 ☒ 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 PFS Group
Defined Benefit Pension Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2010

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)
G&G Organization, Ltd.
dba PFS Group

7670 Woodway Dr., Ste. 250

Houston TX 77063

2b Employer Identification Number (EIN) 76-0779526

2c Sponsor's telephone number (713) 784-4410

2d Business code (see instructions) 561440

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	Signature of plan administrator	Date 9/13/12	Jeffrey Gnesin 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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. Form 5500 (2011) v.012611

5626/OS/EGV/KIA/TUN

RECEIVED SEP 19 2012 By

EIN 76-0779526 /PN 002

3a Plan administrator's name and address (If same as plan sponsor, enter "Same") SAME	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	126
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**	161
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	0
d Subtotal. Add lines 6a, 6b, and 6c.	**6d**	161
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines 6d and 6e	**6f**	161
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**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1C 1G 3D

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

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

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

a Pension Schedules		**b General Schedules**	
(1)	☐ R (Retirement Plan Information)	(1)	☒ H (Financial Information)
(2)	☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2)	☐ I (Financial Information – Small Plan)
		(3)	☐ A (Insurance Information)
		(4)	☐ C (Service Provider Information)
(3)	☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(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

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

▶ 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

PFS Group Defined Benefit 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

G&G Organization, Ltd. dba PFS Group

D Employer Identification Number (EIN)

76-0779526

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1	Enter the valuation date: Month 12 Day 31 Year 2011			
2	Assets:			
a	Market value	2a		84,855
b	Actuarial value	2b		84,855
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	0	0
b	For terminated vested participants	3b	0	0
c	For active participants:			
(1)	Non-vested benefits	3c(1)		101,889
(2)	Vested benefits	3c(2)		0
(3)	Total active	3c(3)	161	101,889
d	Total	3d	161	101,889
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		5.28 %
6	Target normal cost	6		70,345

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

Cliff Woodhall
Signature of actuary

9/8/12
Date

Cliff Woodhall, EA, MSPA, CPC
Type or print name of actuary

11-06783
Most recent enrollment number

Loren D. Stark Company
Firm name

(281) 498-5777
Telephone number (including area code)

10750 Rockley Road

Houston TX 77099
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 [ ]

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 (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 0.00%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		1,444
	b Interest on (a) using prior year's effective rate of 6.27% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		1,444
	d Portion of (c) to be added to prefunding balance		1,444
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1,444

Part III Funding percentages

14	Funding target attainment percentage	14	81.78 %
15	Adjusted funding target attainment percentage	15	122.94 %
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	100.00 %
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
07/20/2012	138,323				
			Totals ☐ 18(b)	138,323	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 contributions 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	134,45[illegible]

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
1.99 %	5.12 %	6.24 %	

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 62

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	**31a**		70,345
b Excess assets, if applicable, but not greater than 31a	**31b**		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		18,554	2,932
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**		0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**		73,277

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	73,277
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	134,459
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	61,182
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

PFS GROUP
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method
Plan Year: 1/1/2011 to 12/31/2011
Valuation Date: 12/31/2011

	For PPA Funding	For 417(e)	For Actuarial Equiv.
Interest Rates	Segment 1 1.99%	Segment 1 2.20%	Pre-Retirement 5.00%
	Segment 2 5.12%	Segment 2 4.18%	Post-Retirement 5.50%
	Segment 3 6.24%	Segment 3 4.81%	
Pre-Retirement			
Turnover	None	None	None
Mortality	None	None	None
Assumed Ret Age	Normal retirement age 62 and 5 years of participation	Normal retirement age 62 and 5 years of participation	Normal retirement age 62 and 5 years of participation
Future Salary Incr	Level salary projection	None	None
Post-Retirement			
Mortality	2011 Applicable Mortality Table from Rev Rul 2006-67	2011 Applicable Mortality Table from Rev Rul 2006-67	2011 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding		Lump Sum	
Calculated Effective Interest Rate		5.28%	

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

PFS GROUP
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2011 to 12/31/2011

Plan Effective Date

January 1, 2010

Plan Year

From January 1 to December 31

Eligibility

All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:

1 year of service

UNIONS, NON-RESIDENT ALIENS AND NON-OWNER HCE's SHALL BE EXCLUDED FROM PLAN PARTICIPATION

Normal Retirement Age

All participants are eligible to retire with their full retirement benefit on the later of the following:

Attainment of age 62
Completion of 5 years of participation

Normal Retirement Benefit

Based on their group classification, participants receive a cash balance contribution equal to a percentage of compensation as follows:

Group 1: 30.500%

Maximum benefit is $16,250 per month
Maximum percent of salary is 100%

Normal Form of Benefit

A benefit payable for the life of the participant

Accrued Benefit

A fraction, not exceeding one, of the normal retirement benefit, calculated based on average salary on the calculation date.The numerator of the fraction is equal to the participant's credited years earned on the calculation date, and the denominator is equal to the participant's total projected credited years at normal retirement, up to a maximum of 10 credited years.

Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:

Years before age 18
Years with less than 1,000 hours

Termination Benefit

Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Credited Years	Vested Percent
1	0

PFS GROUP
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2011 to 12/31/2011

Credited Years	Vested Percent
2	0
3	100

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years before the effective date
Years with less than 1,000 hours

Top-Heavy Minimum Benefit

Top-heavy minimum benefits are provided under another plan of the employer.

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently top-heavy.

Death Benefit

Actuarial Equivalent of the accrued benefit earned to date of death

Cash Balance

The Interest Crediting Rate for this plan year is 5.00%

Attachment to 2011 Schedule SB, line 32 - Schedule of Amortization Bases - EIN: 76-0779526 PN: 002

PFS GROUP
DEFINED BENEFIT PENSION PLAN

Shortfall Amortization
Valuation Date: December 31, 2011

Valuation Date	Amortization Method	Number of Future Installments	Installment	Value of Future Installments
12/31/2011	7-year	7	$2,932	$18,554
Total			$2,932	$18,554

PFS GROUP

DEFINED BENEFIT PENSION PLAN

Schedule of Active Participant Data
Plan Year: 1/1/2011 to 12/31/2011
Valuation Date: 12/31/2011

Age/ Svc	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+	Total
0	0	1	0	1	1	1	0	0	0	0	0	4
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1-4	26	40	30	22	19	7	6	5	2	0	0	157
Ave Sal	1903	2354	2662	2913	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2593
5-9	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10-14	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15-19	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
20-24	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
25-29	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30-34	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35-39	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
40+	0	0	0	0	0	0	0	0	0	0	0	0
Ave Sal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	26	41	30	23	20	8	6	5	2	0	0	161
Ave Sal	1903	2318	2662	2850	2584	n/a	n/a	n/a	n/a	n/a	n/a	2545

*Employees who have not met the minimum eligibility requirements are excluded

Average Age: 33.7 Average Service: 1

PFS GROUP DEFINED BENEFIT PENSION PLAN
SPONSOR'S EIN: 76-0779526
PLAN NUMBER: 002
SCHEDULE H, LINE 4I-SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(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
	Federated Capital Reserves	Money Market Fund (14,309 shares)	$ 14,309	14,309
	First Eagle Overseas Fund	Mutual Fund (363 shares)	8,003	7,397
	Harbor International Fund	Mutual Fund (150 shares)	8,019	7,846
	Harbor High Yield Bond Fund Instl	Mutual Fund (562 shares)	6,019	5,949
	Pimco Emerging Markets Currency	Mutual Fund (1,306 shares)	14,019	12,942
	Ishares TR S&P 500 Growth Index Fd	Mutual Fund (540 shares)	34,211	36,412
				$ 84,855

See independent auditors' report on supplemental information.

PFS GROUP DEFINED BENEFIT PENSION PLAN
SPONSOR'S EIN: 76-0779526
PLAN NUMBER: 001
SCHEDULE H, LINE 4J -SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2011

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Lincoln Investment Planning	Harbor High Yield Bond Fund Instl Class	$6,019	-	-	-	-	$6,019	-
Lincoln Investment Planning	Harbor International Fund Institutional Class	8,019					8,019	
Lincoln Investment Planning	Ishares TR S&P 500 Growth Index	20,664					20,664	
Lincoln Investment Planning	First Eagle Overseas Fund Class A	8,003					8,003	
Lincoln Investment Planning	Pimco Emerging Markets Currency Fund Class A	14,019					14,019	