

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

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>TRI-STATE 401(K) SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>333</u> 1c Effective date of plan <u>01/01/1999</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u> <u>160 BROADWAY</u> <u>SUITE 160</u> <u>NEW YORK, NY 10038</u>	2b Employer Identification Number (EIN) <u>13-3703106</u> 2c Sponsor's telephone number <u>212-406-2740</u> 2d Business code (see instructions) <u>551112</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2012</u>	<u>ROBERT CASSERA</u>
	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

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TRI-STATE EMPLOYMENT SERVICES, INC. 160 BROADWAY SUITE 160 NEW YORK, NY 10038	3b Administrator's EIN 13-3703106 3c Administrator's telephone number 212-406-2740
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	4017
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	4082
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	104
d Subtotal. Add lines 6a , 6b , and 6c	6d	4187
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	4188
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	409
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	3

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2A 2E 2F 2G 2J 2K 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan TRI-STATE 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	333
C Plan sponsor's name as shown on line 2a of Form 5500 TRI-STATE EMPLOYMENT SERVICES, INC.	D Employer Identification Number (EIN) 13-3703106	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

CAPITAL RETIREMENT PLAN SERVICES

59-3092339

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 19 25 37 38 50	NONE	86201	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

LPL FINANCIAL CORPORATION

95-2834236

(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?
26 50	NONE	13559	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

KOSSOFF & KOSSOFF, LLP

13-3238450

(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?
10 50	NONE	8089	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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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 <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>TRI-STATE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	333
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3703106</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	23242	20417
(2) Participant contributions	1b(2)	17349	54965
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	107262	361082
(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)	130964	205944
(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)	7404845	7616802
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7683662	8259210

Liabilities

g Benefit claims payable	1g		3010
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	718	423
k Total liabilities (add all amounts in lines 1g through 1j)	1k	718	3433

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7682944	8255777
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	174580	
(B) Participants	2a(1)(B)	878894	
(C) Others (including rollovers)	2a(1)(C)	671585	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1725059
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	40	
(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)	3583	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3623
(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)	176315	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		176315
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-187379
c Other income.....	2c		4746
d Total income. Add all income amounts in column (b) and enter total.....	2d		1722364

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	700630	
(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)		700630
f Corrective distributions (see instructions)	2f		135712
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	8089	
(2) Contract administrator fees	2i(2)	86201	
(3) Investment advisory and management fees	2i(3)	13653	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		107943
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		944285

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		778079
l Transfers of assets:			
(1) To this plan.....	2l(1)		650946
(2) From this plan	2l(2)		856192

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: LILLING & COMPANY, LLP

(2) EIN: 13-3447681

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.).....	☒	☐	139855
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☐	☐	
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)
MILNER INSURANCE GROUP, INC 401(K) PLAN	71-0819742	001
MILNER-OWYOUNG INSURANCE 401(K) PLAN	71-0823076	001
THE PRINCETON WINDROWS CONDO ASSOC 401(K) P/S PLAN	06-1452843	001
TRINET MEP 401(K) RETIREMENT PLAN	84-0722548	333

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>TRI-STATE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3703106</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-0937408</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

Schedule R (Form 5500) 2011
v.012611

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): _____

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

REPORT ON AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2011

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) RETIREMENT PLAN

DECEMBER 31, 2011

Table of Contents

Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 – 10
Supplementary Information	
Schedule of Delinquent Contributions	11 – 12
Schedule of Assets (Held at End of Year)	13 – 14

Lilling & Company LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Tri-State Employment Service, Inc. 401 (k) Savings Plan
New York, New York

We were engaged to audit the financial statements of Tri-State Employment Service, Inc. 401 (k) Savings Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedules as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by TD Ameritrade Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

The Plan's records and procedures are not adequate to assure the completeness of participants' data on which contributions and benefit payments are determined.

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



CERTIFIED PUBLIC ACCOUNTANTS

Great Neck, New York

October 3, 2012

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

	<u>2011</u>	<u>2010</u>
<i>ASSETS</i>		
Investments, at fair value	\$ 7,977,884	\$ 7,512,107
<i>Receivables</i>		
Notes receivable from participants	205,944	130,964
Employer contributions	20,417	23,242
Participant contributions	<u>54,965</u>	<u>17,349</u>
	<u>281,326</u>	<u>171,555</u>
<i>TOTAL ASSETS</i>	8,259,210	7,683,662
<i>LIABILITIES</i>		
Other liabilities	<u>3,433</u>	<u>718</u>
<i>NET ASSETS AVAILABLE FOR BENEFITS</i>	<u><u>\$ 8,255,777</u></u>	<u><u>\$ 7,682,944</u></u>

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2011

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment Income

Net change in fair value of investments	\$ (187,341)
Interest and dividends	184,644
Less: investment expenses	<u>(13,653)</u>
	<u>(16,350)</u>

Contributions

Participant	878,894
Employer	174,580
Rollover	<u>671,585</u>
	<u>1,725,059</u>
<i>TOTAL ADDITIONS</i>	<u>1,708,709</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid to participants	836,342
Administrative expenses	<u>94,288</u>
<i>TOTAL DEDUCTIONS</i>	<u>930,630</u>

<i>NET CHANGE</i>	<u>778,079</u>
--------------------------	-----------------------

<i>TRANSFERS TO THIS PLAN</i>	650,946
<i>TRANSFERS FROM THIS PLAN</i>	<u>(856,192)</u>
	<u>(205,246)</u>

NET ASSETS AVAILABLE FOR BENEFITS

<i>-BEGINNING OF YEAR</i>	<u>7,682,944</u>
<i>-END OF YEAR</i>	<u><u>\$ 8,255,777</u></u>

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. DESCRIPTION OF PLAN

The following description of the Tri-State Employment Service, Inc. 401 (k) Savings Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a multiple-employer defined contribution plan covering all full-time employees who meet specific eligibility requirements of each employer. Participating employers Tri-State Employment Services, Inc. (Tri-State), a Professional Employer Organization (PEO), clients of Tri-State and affiliated entities. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Employer transfers of participant accounts into and out of the Plan during the year ended December 31, 2011 are included in the statement of changes in net assets available for benefits.

Participant Contributions

Contributions to the Plan may be pre-tax Salary Deferrals or after-tax Roth Deferrals. Participants direct the investment of their contribution into various investment options offered by the Plan. Participants are immediately vested in their contributions plus actual earnings thereon. Rollover contributions are subject to the terms of the Plan and are fully vested and non-forfeitable.

Employer Contributions

The Company may make matching contributions to the Plan or discretionary contributions to the Plan. For the year December 31, 2011 the Company contributed approximately \$174,600.

Vesting

Participants are immediately vested in their contributions plus rollovers and actual earnings thereon. Vesting in employer's contributions portion of their accounts plus actual earnings thereon is based on years of continuous service.

Employer contributions and earnings will be vested as follows:

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

<u>Years of Vesting Service</u>	<u>Amount Vested</u>
Less than 2	0%
2 years of service	20%
3 years of service	40%
4 years of service	60%
5 years of service	80%
6 or more years	100%

Forfeitures

The Company uses forfeited amounts to reduce Plan expenses. Any forfeitures left after paying expenses are used to reduce future employer contributions. At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$9,034 and \$28,818, respectively. For the year ended December 31, 2011, the Plan allocated approximately \$17,980 of forfeiture accounts to reduce employer contributions and Plan expenses.

Hardship Withdrawals

A participant may request a hardship withdrawal under certain conditions as specified in the Plan. Hardship withdrawals must be approved by the Plan administrator.

Participant Accounts

Each participant's account is credited with both participant's and employer's contribution, allocations of Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Participants may borrow from their fund accounts up to a specified limit of their vested account balance. Notes receivable from participants are collateralized by the balance in the participant's account. The interest rate on outstanding loans is 4.25%. Loan payments are made through payroll deductions.

Payment of Benefits

Benefits are recorded when paid. On termination of service due to death, disability or termination, a participant may request that the vested portion of his or her account be paid in one of the following forms of payment: 1) a lump sum; or 2) in installment payments

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

over a period of time. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

2. SUMMARY OF ACCOUNTING POLICIES

Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") issued FASB Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*, effective for periods ending after September 15, 2009. This Statement establishes the FASB Accounting Standards Codification ("ASC") as the single source of authoritative United States generally accepted accounting and reporting standards for nongovernmental entities and these financial statements are referenced accordingly.

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported 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 discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation 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 valued at their unpaid principal balance plus accrued but unpaid interest. Delinquent loans are paid out as deemed distributions based on the terms of the Plan document.

Use of Estimates

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

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

3. INVESTMENTS

The following table presents investments that represent 5% or more of the Plan's net assets.

<u>Investments</u>	<u>2011</u>	<u>2010</u>
Vanguard Target Retirement 2015	\$ 1,063,732	\$ 935,930
Vanguard Target Retirement 2045	750,269	718,470
Pimco Total Return Institutional	674,125	641,750
Vanguard Target Retirement 2030	661,068	741,666
Vanguard Target Retirement 2020	651,991	653,750
Vanguard Target Retirement 2025	451,387	*

* Indicates that the fund was not over 5% of the Plan's net assets in the specified year

During 2011 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) resulted in a decrease in value by \$187,341, all of which were from mutual funds.

4. INFORMATION PREPARED AND CERTIFIED BY TRUSTEES

The following information included in the accompanying financial statements and supplemental schedules as of and for the years ended December 31, 2011 and 2010 was obtained from data that has been prepared and certified to as complete and accurate by the Plan's trustee, TD Ameritrade Trust Company.

	<u>2011</u>	<u>2010</u>
Investments, at fair value	\$ 7,977,884	\$ 7,512,107
Net change in fair value of investments	(187,341)	861,016
Interest and dividends	184,644	184,179

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted market prices in inactive markets or quoted prices for similar assets in active markets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are not used.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Level 2 Fair Value Measurements

Money market funds use amortized cost, rather than market value, to value their securities when calculating NAV, enabling them to maintain a \$1 asset value. Amortized cost is the price a fund pays for a security as adjusted for accretion of discount or amortization of premium.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

December 31, 2011	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money Market	\$ -	\$ 361,083	\$ -	\$ 361,083
Mutual Funds				
Asset Allocation	4,724,601	-	-	4,724,601
Bond	823,930	-	-	823,930
Equity Large Cap	786,905	-	-	786,905
Equity Mid Cap	458,601	-	-	458,601
Equity International	432,155	-	-	432,155
Equity Small Cap	390,609	-	-	390,609
	<u>\$ 7,616,801</u>	<u>\$ 361,083</u>	<u>\$ -</u>	<u>\$ 7,997,884</u>

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

December 31, 2010	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money Market	\$ -	\$ 107,262	\$ -	\$ 107,262
Mutual Funds				
Asset Allocation	4,258,448	-	-	4,258,448
Bond	1,086,475	-	-	1,086,475
Equity Large Cap	692,832	-	-	692,832
Equity Mid Cap	585,687	-	-	585,687
Equity International	515,736	-	-	515,736
Equity Small Cap	265,667	-	-	265,667
	<u>\$ 7,404,845</u>	<u>\$ 107,262</u>	<u>\$ -</u>	<u>\$ 7,512,107</u>

December 31, 2010 assets of \$107,262 were reclassified to Level 2 from Level 1 to more accurately reflect the pricing inputs discussed above.

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2011, are reported in net change in fair value of investments.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Participants will become 100% vested in their accounts.

7. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated April 19, 2005, that the Plan and related trust, as amended, are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS ***DECEMBER 31, 2011***

9. RELATED PARTY TRANSACTIONS

TD Ameritrade Trust Company is the custodian of the Plan's investments and therefore certain transactions qualify as party-in-interest transactions. Investment fees of approximately \$11,000 were paid to TD Ameritrade Trust Company from the Plan during the year ended December 31, 2011.

Participant contributions not transmitted by the Company within the time period set forth in the Department of Labor's regulation CFR 2510.3-102 are considered nonexempt prohibited transactions under ERISA. Participant contributions remitted during the year that constitute nonexempt prohibited transactions are reported by the Plan in the accompanying supplemental schedule as required.

10. SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Plan has reviewed events that have occurred after December 31, 2011, through the date of issuance of these financial statements on October 3, 2012.

SUPPLEMENTARY INFORMATION

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H: LINE 4a

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2011

	Participant Contributions Transferred Late to Plan		Total Fully Corrected under VFCP and PTE 2002-51		
	Check here if Late Participant Loan Repayments are included [✓]	Total that constitute Nonexempt Prohibited Transactions			
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
1/7/2011	\$	14,950	\$	14,950	
1/14/2011		20,093		20,093	
1/21/2011		17,116		17,116	
1/28/2011		18,449		18,449	
2/4/2011		17,287		17,287	
2/11/2011		18,535		18,535	
2/18/2011		20,384		20,384	
2/25/2011		16,856		16,856	
3/4/2011		18,048		18,048	
4/1/2011		6,553		6,553	
4/15/2011		20,386		20,386	
5/6/2011		19,605		19,605	
5/27/2011		15,053		15,053	
6/30/2011		10,795		10,795	
7/1/2011		6,388		6,388	
7/8/2011		12,835		12,835	
7/22/2011		13,699		13,699	
7/29/2011		15,179		15,179	
9/2/2011		14,801		14,801	
10/28/2011		16,575		16,575	
11/4/2011		16,381		16,381	
11/11/2011		15,444		15,444	
11/18/2011		19,351		19,351	

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN**EMPLOYEE IDENTIFICATION NUMBER: 13-3703106****PLAN NUMBER: 333****FORM 5500 SCHEDULE H: LINE 4a****SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS****YEAR ENDED DECEMBER 31, 2011**

Participant Contributions Transferred Late to Plan		Total Fully Corrected under VFCP and PTE 2002-51		
Check here if Late Participant Loan Repayments are included [✓]	Total that constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
12/2/2011	\$ 16,421		\$ 16,421	
12/9/2011	12,461		12,461	
12/16/2011	18,595		18,595	
12/25/2011	19,705		19,705	
12/31/2011	<u>35,260</u>		<u>35,260</u>	
Total	<u>\$ 467,205</u>		<u>\$ 467,205</u>	

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN**EMPLOYEE IDENTIFICATION NUMBER: 13-3703106****PLAN NUMBER: 333****FORM 5500 SCHEDULE H, LINE 4i-****SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2011**

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issue, borrower lessor, or similar party</u>	<u>Description of investment</u>	<u>Cost**</u>	<u>Current value</u>
	Vanguard Target Retirement 2015	Mutual Fund		\$ 1,063,732
	Vanguard Target Retirement 2045	Mutual Fund		750,269
	Pimco Total Return Institutional	Mutual Fund		674,125
	Vanguard Target Retirement 2030	Mutual Fund		661,068
	Vanguard Target Retirement 2020	Mutual Fund		651,991
	Vanguard Target Retirement 2025	Mutual Fund		451,387
	Vanguard Target Retirement 2035	Mutual Fund		384,503
	Wells Fargo Growth Fund Institutional	Mutual Fund		368,406
	Vanguard 500 Index Signal Shares	Mutual Fund		348,566
*	TD Bank Instl. MMDA FTCIMA	Money Market		345,964
	Vanguard Mid Cap Index Fd Signal Sh	Mutual Fund		295,425
	Vanguard Target Retirement 2040	Mutual Fund		280,747
	Vanguard Total Intl Stock Index	Mutual Fund		257,035
	Vanguard Target Retirement 2010	Mutual Fund		235,612
	Vanguard Small Cap Index Fund Signal	Mutual Fund		200,248
	Oppenheimer Global Fund Class Y	Mutual Fund		175,120
	Vanguard Target Retirement 2050	Mutual Fund		132,665
	American Balanced Fund Class R-6	Mutual Fund		112,627
	Vanguard Inflation Protected	Mutual Fund		106,907
	JP Morgan Small Cap Growth Fund	Mutual Fund		102,983
	Goldman Sachs Small Cap Value Fund	Mutual Fund		87,378
	Goldman Sachs Mid Cap Fund Class I	Mutual Fund		83,020
	Goldman Sachs Small Mid-Cap Growth	Mutual Fund		80,156
	MFS Value Fund Class R4	Mutual Fund		69,933
	Vanguard US Treasury Short Term	Mutual Fund		42,898
*	TD Bank USA MMDA	Money Market		15,119
				\$ 7,977,884

* Denotes a party-in-interest to the Plan

** All investments are Participant directed and therefore cost disclosure is not required.

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4i-

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2011

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issue, borrower lessor, or</u>	<u>Description of</u>	<u>Cost**</u>	<u>Current value</u>
	<u>similar party</u>	<u>investment</u>		
		Loans made available to participants with interest rates between 3.25% and 9.00% per annum		
	Notes receivable from participants			<u>205,944</u>
				<u>\$ 8,183,828</u>

* Denotes a party-in-interest to the Plan

** All investments are Participant directed and therefore cost disclosure is not required.

See independent auditor's report

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
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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 single-employer plan;	☒ a multiple-employer plan; or ☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report; ☐ an amended return/report;	☐ the final 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; ☐ special extension (enter description)	☐ automatic extension;	☐ the DFVC program;

Part II Basic Plan Information—enter all requested information			
1a Name of plan Tri-State 401(k) Savings Plan	1b Three-digit plan number (PN) ▶	333	
		01/01/1999	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)	2b Employer Identification Number (EIN)		
Tri-State Employment Services, Inc.	13-3703106		
	2c Sponsor's telephone number		
160 Broadway	(212) 406-2740		
Suite 160	2d Business code (see instructions)		
New York	551112		
	NY 10038		

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		10/15/2012	Robert Cassera
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/15/2012	Robert Cassera
	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

Form **5558** (Rev. 6-2011)

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade Trust Co	American Balanced Fund		112,627
*	TD Ameritrade Trust Co	Goldman Sachs Mid Cap Value		83,020
*	TD Ameritrade Trust Co	Goldman Sachs Small Cap Value		87,378
*	TD Ameritrade Trust Co	Goldman Sachs Mid Cap Growth Inst		80,156
*	TD Ameritrade Trust Co	JP Morgan Small Cap Growth Inst		102,983
*	TD Ameritrade Trust Co	MFS Value Fund Clas R4		69,933
*	TD Ameritrade Trust Co	Oppenheimer Global Fund Class Y		175,120

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade	Pimco Total Return Institutional		674,125
*	TD Ameritrade	Vanguard 500 Index Signal Sh		348,566
*	TD Ameritrade	Vanguard Inflation Protected Securities		106,907
*	TD Ameritrade	Vanguard Mid Cap Index Fund Signal Sh		295,425
*	TD Ameritrade	Vanguard Small Cap Index Fund Signal Sh		200,248
*	TD Ameritrade	Vanguard Target Retirement 2015		1,063,732
*	TD Ameritrade	Vanguard Target Retirement 2035		384,503

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade	Vanguard Target Retirement 2045		750,269
*	TD Ameritrade	Vanguard Target Retirement 2050		132,665
*	TD Ameritrade	Vanguard Target Retirement 2025		451,387
*	TD Ameritrade	Vanguard Target Retirement 2010		235,612
*	TD Ameritrade	Vanguard Target Retirement 2020		651,991
*	TD Ameritrade	Vanguard Target Retirement 2030		661,068
*	TD Ameritrade	Vanguard Target Retirement 2040		280,747

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TD Ameritrade Trust Co	Vanguard Total Intl Stock Index Signal Sh		257,035
*	TD Ameritrade Trust Co	Vanguard US Treasury Short Term		42,898
*	TD Ameritrade Trust Co	Wells Fargo Growth Fund Institutional		368,406
*	TD Ameritrade Trust Co	TD Bank Instl MMDA FTCIMA		345,963
*	TD Ameritrade Trust Co	TD Bank USA MMDA		15,119
	Various	Participant Loans Interest Rates of 3.25% to 9.00%		205,944