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
DRIFTWOOD HOSPITALITY MANAGEMENT, INC 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/01/2000

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

DRIFTWOOD HOSPITALITY MANAGEMENT, LLC

11770 US HWY 1
SUITE 202
NORTH PALM BEACH, FL 33408

2b Employer Identification Number (EIN) 65-1006992

2c Sponsor's telephone number 561-207-2761

2d Business code (see instructions) 721110

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.	10/16/2012	CHARLES OLIVER
	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")
DRIFTWOOD HOSPITALITY MANAGEMENT, LLC

11770 US HWY 1
SUITE 202
NORTH PALM BEACH, FL 33408

3b Administrator's EIN
65-1006992

3c Administrator's telephone number
561-207-2761

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**	1257
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**	969
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	241
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1210
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	1210
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	632
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	27
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

A Name of plan
DRIFTWOOD HOSPITALITY MANAGEMENT, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DRIFTWOOD HOSPITALITY MANAGEMENT, LLC

D Employer Identification Number (EIN)
65-1006992

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

WELLS FARGO ADVISORS
3399 PGA BLVD
STE 400
PALM BEACH GARDENS, FL 33410

(b) Enter name and EIN or address of person who provided you disclosure 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)

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3399 PGA BLVD
STE 400
PALM BEACH GARDENS, FL 33410

(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?
33 63 59	BROKERAGE	0	Yes [X] No [ ]	Yes [ ] No [X]	3353	Yes [X] No [ ]

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

CALER, DONTEN, LEVINE, COHEN,PORTER

59-2831281

(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	PLAN AUDITOR	19875	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

ASCENSUS

11-3665754

(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?
15 37 50 60 64 99	RECORD KEEPER	38241	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] 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
ASCENSUS	15 60	0

(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.
CAPITAL RESEARCH AND MANAGEMENT CO 333 SOUTH HOPE ST. LOS ANGELES, CA 90071	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR SUB-TA REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ASCENSUS	15 60	0

(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.
DREYFUS C/O BNY MELLON ASSET MGMT. 201 WASHINGTON ST BOSTON, MA 02108	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR SUB-TA REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ASCENSUS	15 60	0

(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.
EATON VANCE TWO INTERNATIONAL PLACE BOSTON, MA 02110	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR SUB-TA REVENUE BY FUND.

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
ASCENSUS	15 60	0

(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.
FEDERATED ATTN FBD PO BOX 8600 BOSTON, MA 02266	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR SUB-TA REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ASCENSUS	15 60	0

(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.
PRUDENTIAL 22-3703799	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR SUB-TA REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
WELLS FARGO ADVISORS	33 63	0

(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.
CAPITAL RESEARCH AND MANAGEMENT CO 333 SOUTH HOPE ST. LOS ANGELES, CA 90071	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR 12B-1 REVENUE BY FUND.

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
WELLS FARGO ADVISORS	33 63	0

(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.
EATON VANCE TWO INTERNATIONAL PLACE BOSTON, MA 02110	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR 12B-1 REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
WELLS FARGO ADVISORS	33 63	0

(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.
FEDERATED ATTN FBD PO BOX 8600 BOSTON, MA 02266	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR 12B-1 REVENUE BY FUND.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
WELLS FARGO ADVISORS	33 63	0

(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.
PRUDENTIAL 22-3703799	SEE THE ATTACHED FORMULA DESCRIPTION REPORT LISTING THE FORMULAS FOR 12B-1 REVENUE BY FUND.

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
WELLS FARGO ADVISORS	59	1772

(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.
CAPITAL RESEARCH AND MANAGEMENT CO 333 SOUTH HOPE ST. LOS ANGELES, CA 90071	MARKETING ALLOWANCE FOR DUE DILIGENCE, TRAINING, OPERATIONS, AND SYSTEM SUPPORT

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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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 01/01/2011 and ending 12/31/2011

A Name of plan
DRIFTWOOD HOSPITALITY MANAGEMENT, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DRIFTWOOD HOSPITALITY MANAGEMENT, LLC

D Employer Identification Number (EIN)
65-1006992

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)	2324	2734
(2) Participant contributions	1b(2)	6008	5837
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1107	211
(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)	72172	182773
(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)	5168982	5065618
(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	5250593	5257173
Liabilities			
g Benefit claims payable	1g	63475	70062
h Operating payables	1h	19875	15500
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	83350	85562
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	5167243	5171611

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)	264797	
(B) Participants	2a(1)(B)	757536	
(C) Others (including rollovers)	2a(1)(C)	55043	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1077376
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3037	
(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)	4519	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		7556
(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)	50309	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		50309
(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)		-176307
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		958934
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	841328	
	(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)		841328
f	Corrective distributions (see instructions)	2f		70062
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)	27676	
	(3) Investment advisory and management fees	2i(3)		
	(4) Other	2i(4)	15500	
	(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		43176
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		954566
	Net Income and Reconciliation			
k	Net income (loss). Subtract line **2j** from line **2d**	2k		4368
l	Transfers of assets:			
	(1) To this plan	2l(1)		
	(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: CALER, DONTEN, LEVINE, COHEN, **(2)** EIN: 59-2831281

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		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?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
DRIFTWOOD HOSPITALITY MANAGEMENT, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DRIFTWOOD HOSPITALITY MANAGEMENT, LLC

D Employer Identification Number (EIN)
65-1006992

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** 0

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): 45-0404698

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audited Financial Statements
and Supplementary Information

Driftwood Hospitality Management, Inc. 401(k) Plan

December 31, 2011 and 2010

DRIFTWOOD HOSPITALITY MANAGEMENT, INC. 401(K) PLAN

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2011 AND 2010

INDEPENDENT AUDITOR'S REPORT....1

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits....2
Statements of Changes in Net Assets Available for Benefits....3
Notes to Financial Statements....4

SUPPLEMENTARY INFORMATION

Schedule of Assets (Held at End of Year)....11
Schedule of Assets (Acquired and Disposed of Within Year)....12

CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees
Driftwood Hospitality Management, Inc.
401(k) Plan
North Palm Beach, Florida

We were engaged to audit the financial statements of Driftwood Hospitality Management, Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010 and for the years then ended and the supplementary schedules as of and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and 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 C, which was certified by Ascensus, Inc. the record keeper of the Plan as agent for Frontier Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary 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 agent on behalf of the trustee, as of December 31, 2011 and 2010 and for the years then ended, that the information provided to the Plan administrator by the agent for the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and 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 schedules other than that derived from the information certified by the agent on behalf of the trustee have been audited by us in accordance with U.S. generally accepted auditing standards 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.

Caler, Donten, Levine,
Cohen, Porter & Veil, P.A.

West Palm Beach, Florida
October 11, 2012

DRIFTWOOD HOSPITALITY MANAGEMENT, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments		
Mutual funds	$ 5,065,618	$ 5,168,982
Receivables		
Employer contribution	2,734	2,324
Participants' contributions	5,837	6,008
Notes receivable from participants	182,773	72,172
	191,344	80,504
Cash	211	1,107
TOTAL ASSETS	5,257,173	5,250,593
LIABILITIES		
Excess contributions payable	70,062	63,475
Accounts payable	15,500	19,875
TOTAL LIABILITIES	85,562	83,350
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,171,611	$ 5,167,243

See notes to financial statements.

DRIFTWOOD HOSPITALITY MANAGEMENT, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET
ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS		
Additions to net assets attributed to:		
Investment earnings (losses)		
Net appreciation (depreciation) in fair value	$ (176,307)	$ 416,316
Dividends and interest	53,346	58,497
	(122,961)	474,813
Interest income from participant loans	4,519	4,581
Contributions		
Participants'	687,474	782,852
Employer	264,797	250,732
Rollovers	55,043	47,505
	1,007,314	1,081,089
TOTAL ADDITIONS	888,872	1,560,483
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	841,328	1,103,742
Administrative expenses	43,176	46,910
TOTAL DEDUCTIONS	884,504	1,150,652
NET INCREASE	4,368	409,831
Net assets available for benefits, beginning of year	5,167,243	4,757,412
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 5,171,611	$ 5,167,243

See notes to financial statements.

DRIFTWOOD HOSPITALITY MANAGEMENT, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE A - PLAN DESCRIPTION

Driftwood Hospitality Management, Inc. 401(k) Plan (the "Plan") was established effective August 1, 2000. The Plan was established for eligible employees of Driftwood Hospitality Management, LLC (the "Company") and is intended to comply with the Employee Retirement Income Security Act of 1974 ("ERISA") and Sections 401(a) and 501(a) of the Internal Revenue Code, as amended. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all full-time employees of the Company who have one year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, employees participating in the Plan may contribute up to 15% of pre-tax compensation to the Plan, subject to the limits set forth by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Participants who turn 50 during a Plan year can make additional pre-tax contributions pursuant to the Catch-Up Elective Contributions feature specified in the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). Contributions received from participants for 2011 and 2010 are net of payments of $70,062 and $63,475, respectively, made to certain active participants subsequent to year-end to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. The amounts are also included in the Plan's statement of net assets available for benefits as excess contributions payable at December 31, 2011 and 2010.

The Company, at the option of the Board of Directors, may contribute additional amounts to the Plan as a discretionary match of participant contributions. The Company makes a matching contribution to the employee's account for up to 2% of the employee's contribution for the year. Company contributions are credited to individual participants' accounts at the time the contribution is made and are allocated to a participant's account based on the participant's elections. Discretionary Company contributions for the years ended December 31, 2011 and 2010 were $264,797 and $250,732, respectively.

Participant Accounts: Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, allocations of Company discretionary contributions and investment earnings, and charged with withdrawals and an allocation of investment losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company contributions portion of participant accounts plus earnings thereon is based on years of continuous service. Amounts contributed by the Company for the benefit of each participant plus earnings thereon vest based on years of continuous service, as follows: less than 1 year, 0%; 1 year, 20%; 2 years, 40%; 3 years, 60%; 4 years, 80%; and, 5 or more years, 100%.

Notes Receivable from Participants: Participants may borrow from their investment fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant notes receivable fund. Loans must be repaid within five years, or for the purchase of a primary residence,

NOTE A - PLAN DESCRIPTION (Continued)

within thirty years. The loans are secured by the balance in the participant's account and bear interest at a fixed rate commensurate with local prevailing rates established at the time of the loan by the Plan administrator. Principal and interest is paid monthly through employee payroll deductions. Interest rates on existing participant loans range from 4.25% to 9.25% for the years ended December 31, 2011 and 2010.

Forfeited Accounts: Forfeitures of non-vested accounts are used to reduce Company contributions and to pay the Plan's administrative expenses. During 2011 and 2010 forfeited participant accounts of $0 and $32,272, respectively, were used to reduce the Company's contributions. During 2011 and 2010 forfeited participant accounts of $19,875 and $0, respectively, were used to pay certain administrative expenses of the Plan. Forfeited amounts at December 31, 2011 available to reduce the Company's future contributions were $4,950.

Payment of Benefits: On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten-year period. For termination of service due to other reasons, a participant will receive the value of the vested interest in his or her account as a lump-sum distribution.

Investment Options: Upon enrollment in the Plan, a participant may direct employee contributions into any of the various investment options offered by the Plan. Participants may change their investment options and allocations annually. The Plan currently offers domestic equity, international, fixed income and money market mutual funds as investment options for participants.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. The Plan recognizes participant contributions received as additions to net assets in the period received from participants through payroll deductions. Company contributions are recognized in the year in which the Company becomes obligated to make such contributions. Expenses are recorded when incurred in accordance with the accrual basis of accounting. Benefit payments are recorded when paid.

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 D for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Investments are not insured or collateralized. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year. Certain management fees and operating expenses related to the Plan's investments are reflected as a reduction of investment income in the accompanying statements of changes in net assets.

All investment information included in the financial statements, notes and supplemental schedules was obtained from data that was prepared and certified as complete and accurate by Ascensus, the record keeper of the Plan, as agent for Frontier Trust Company, the trustee of the Plan. No auditing procedures were performed by the independent certified public accountant with respect to the information certified as complete and accurate by the Plan trustee.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan has evaluated subsequent events through October 11, 2012, which is the date the financial statement were available to be issued.

NOTE C - INVESTMENT INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Ascensus, Inc. (Ascensus), the record keeper of the Plan, as agent for Frontier Trust Company, the trustee of the Plan, has certified that the following investment fair values and investment income included in the accompanying financial statements and supplemental schedules are complete and accurate.

	2011	2010
Mutual Funds		
American EuroPacific Growth Class A	$ 459,620	$ 540,872
American Growth Fund of America Class A	532,364	636,851
American Investment Co. of America Class A	547,071	610,141
Dreyfus Intermediate Term Income	481,413	388,690
Eaton Vance Atlanta Cap Focused Growth Class A	164,554	110,275
Federated Kaufmann Fund Class K	377,279	418,165
HighMark U.S. Government Money Market Class A	204,514	0
Prudential Government Income Fund Class A	425,575	402,500
Prudential Government Securities Money Market Class D	0	186,244
Prudential Jennison Growth Fund Class A	301,388	284,669
Prudential Jennison Mid Cap Growth Fund Class A	422,292	475,110
Prudential Money Mart Assets Class D	774,479	752,134
Prudential Stock Index Fund Class Z	375,069	363,331
Total Investments	$ 5,065,618	$ 5,168,982

Investment earnings (losses) for the years ended December 31, 2011 and 2010 are summarized as follows:

	2011	2010
Investment Earnings (Losses)		
Net appreciation (depreciation) in fair value	$ (176,307)	$ 416,316
Dividend and interest income	53,346	58,497
	(122,961)	474,813
Interest income from participant loans	4,519	4,581
Total	$ (118,442)	$ 479,394

NOTE C - INVESTMENT INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (Continued)

The investments at December 31, 2011 and 2010 that represented 5% or more of the Plan's net assets were as follows:

	2011	2010
Mutual Funds		
American EuroPacific Growth Class A	8.9%	10.5%
American Growth Fund of America Class A	10.3	12.3
American Investment Co. of America Class A	10.6	11.8
Dreyfus Intermediate Term Income	9.3	7.5
Federated Kaufmann Fund Class K	7.3	8.1
Prudential Government Income Fund Class A	8.2	7.8
Prudential Jennison Growth Fund Class A	5.8	5.5
Prudential Jennison Mid Cap Growth Fund Class A	8.2	9.2
Prudential Money Mart Assets Class D	15.0	14.6
Prudential Stock Index Fund Class Z	7.3	7.0

NOTE D - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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 at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the assets or liabilities.
- Inputs that are derived principally from or corroborated by observable market data, by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Plan's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Plan in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under FASB ASC 820:

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end as quoted on a national stock exchange.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies used during the years ended December 31, 2011 and 2010.

Fair Value of Assets: The fair value of the Plan's financial assets measured at fair value on a recurring basis at December 31, 2011 and 2010 were Level 1 assets within the fair value hierarchy and are summarized as follows:

	2011	2010
Money market mutual funds	$ 978,993	$ 938,378
Domestic equity mutual funds		
Large Cap blend	922,140	973,472
Large Cap growth	998,306	1,031,795
Mid Cap growth	799,571	893,275
International mutual funds		
Foreign large blend	459,620	540,872
Fixed income mutual funds		
Intermediate government	425,575	402,500
Intermediate term bond	481,413	388,690
Total Investments	$ 5,065,618	$ 5,168,982

NOTE E - ADMINISTRATION

The Company is the Plan's administrator. The Plan is administered by certain employees of the Company as appointed by the Board of Directors of the Company. Frontier Trust Company is the Plan's trustee and custodian of its assets. Ascensus, Inc. is the Plan's record keeper and maintains participant account records and prepares periodic valuations and reports.

NOTE E – ADMINISTRATION (Continued)

Expenses such as trustee, custodial, audit and legal fees are payable out of Plan assets, except where the Company directly assumes such expenses. For the 2011 and 2010 plan year, the Plan paid Frontier Trust Company $27,676 and $27,035, respectively, for trustee fees. For the 2011 and 2010 Plan year, Plan management recorded audit fees of $15,500 and $19,875, respectively, as accounts payable of the Plan at December 31, 2011 and 2010. For the 2011 and 2010 Plan year, management paid the accrued audit fees out of Plan forfeitures in the subsequent year. For 2011 and 2010 all other administrative expenses were paid by the Company.

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2008, that the Ascensus prototype plan and related trust adopted by the Plan are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax-exempt.

The Plan evaluates its uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*, which states that management's determination of the taxable status of an entity, including its status as a tax-exempt entity, is a tax position subject to the standards required for accounting for uncertainty in income taxes. Management does not believe that the Plan has any significant uncertain tax positions that would be material to the financial statements. The Plan's tax returns for tax years 2009 to 2011 remain subject to examination by the Internal Revenue Service, generally for a period of three years after they are filed.

NOTE G - TERMINATION

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

NOTE H - RISKS AND UNCERTAINTIES

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

Mutual fund investments may also include certain securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, which may include certain securities backed by subprime mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

DRIFTWOOD HOSPITALITY MANAGEMENT, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 SCHEDULE H

As indicated in Note A, contributions received from participants are net of payments made to certain participants subsequent to year-end to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. The following is a reconciliation of the participant contributions reported in the financial statements to those reported on Form 5500 Schedule H:

	2011	2010
Participants contributions per the financial statements	$ 687,474	$ 782,852
Add: excess contributions reported on Form 5500 Schedule H, Part II, Line 2f, *Corrective distributions*	70,062	63,475
Participants contributions per Form 5500 Schedule H, Part II, Line 2a(1)(B) – (C)	$ 757,536	$ 846,327

SUPPLEMENTARY INFORMATION

Driftwood Hospitality Management, Inc. 401(k) Plan
Plan Number: 001
EIN: 65-1006992
Schedule H, Part IV, Line 4(i)
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) Shares Owned	(e) Current Value
	American Investment Co.	American EuroPacific Growth Class A	13,072.237	$ 459,620
		American Growth Fund of America Class A	18,529.890	532,364
		American Investment Co. of America Class A	20,194.559	547,071
				1,539,055
	Atlanta Capital Funds	Eaton Vance Atlanta Cap Focused Growth Class A	16,308.652	164,554
	Dreyfus Funds	Dreyfus Intermediate Term Income	35,320.093	481,413
	Federated Funds	Federated Kaufmann Fund Class K	81,135.211	377,279
	HighMark Capital	HighMark U.S. Govt Money Market Class A	204,514.047	204,514
	Prudential Financial	Prudential Government Income Fund Class A	42,514.959	425,575
		Prudential Jennison Growth Fund Class A	16,669.680	301,388
		Prudential Jennison Mid Cap Growth Fund Class A	15,195.839	422,292
		Prudential Money Mart Assets Class D	774,479.410	774,479
		Prudential Stock Index Fund Class Z	13,545.285	375,069
				2,298,803
		Total Mutual Fund Investments		5,065,618
	Participant Loans	4.25% - 9.25%		182,773
		Total		$ 5,248,391

Driftwood Hospitality Management, Inc. 401(k) Plan
Plan Number: 001
EIN: 65-1006992
Schedule H, Part IV, Line 4(i)
Schedule of Assets (Acquired and Disposed of Within Year)
December 31, 2011

(a)	(b)	(c)	(d)
Identity of Issue, Borrower, Lessor, or Similar Party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost of Acquisitions**	**Proceeds of Dispositions**
Participant Loans	4.25% - 9.25%	$ 0	$ 0

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e) Formula Description

Plan Name: DRIFTWOOD HOSPITALITY MGMT INC 401K

Plan Number: 057203

Broker Dealer: Wells Fargo Advisors

Ticker Symbol	Investment Name	Formula used to determine Sub-TA Compensation paid to Ascensus	Formula used to determine 12b-1 Compensation to Broker Dealer
HMUXX	HighMark U.S. Government Money Mrkt A	N/A	N/A
DRITX	Dreyfus Intermediate Term Income	25 basis points	N/A
KAUFX	Federated Kaufmann Fund Class R	25 basis points	50 basis points
EAALX	Eaton Vance Atlanta Cap Focused Growth A	25 basis points	25 basis points
PSIFX	Prudential Stock Index Fund Z	13 basis points	N/A
PBMXX	MoneyMart Assets CL D(7dayYield:0.02%)	13 basis points	N/A
PBGXX	Dryden GovSecTr MMktD(7dayYield:0.01%)	13 basis points	N/A
PJFAX	Prudential Jennison Growth Fd A	13 basis points	30 basis points
PGVAX	Prudential Govt Income Fd A	13 basis points	30 basis points
PEEAX	Prudential Jennison MidCap Gr A	13 basis points	30 basis points
AIVSX	American Funds Investment Co Amer A	12 dollars per fund position	25 basis points
AGTHX	American Funds Growth Fnd of Amer A	12 dollars per fund position	25 basis points
AEPGX	American Funds EuroPacific Growth A	12 dollars per fund position	25 basis points

Schedule C, Part I, line 2(h) Formula Description and Schedule C, Part I, line 3(e)
Formula Description - Additional Fee Notes

Plan Name: DRIFTWOOD HOSPITALITY MGMT INC 401K

Plan Number: 057203

Broker Dealer: Wells Fargo Advisors

American Funds

American Funds A-share upfront compensation (all equity, target date, and bond funds):

- -$1M to $4M = 1.00%
- -$4M through $10M = 0.50%
- -$10M and over = 0.25%

Prudential Retirement

Prudential Funds pay a 1% finder's fee on A shares.

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

Plan Name PlanName1 **EIN:** 65-1006992

Plan Sponsor's Name DRIFTWOOD HOSPITALITY MANAGEMENT, LLC **PN:** 001

(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
	MoneyMart	MoneyMart Assets CL D(7dayYield:0.01%)	0	774,479
	Prudential	Prudential Government Income A	0	425,575
	Prudential	Prudential Stock Index Z	0	375,069
	Prudential	Prudential Jennison Growth A	0	301,388
	Prudential	Prudential Jennison Mid Cap Gr Inc A	0	422,292
	American Funds	American Funds Inv Company Of Ameri	0	547,071
	American Funds	American Funds Growth Fund of America A	0	532,364

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

Plan Name DRIFTWOOD HOSPITALITY MANAGEMENT, INC 401(K) PLAN **EIN:** 65-1006992

Plan Sponsor's Name DRIFTWOOD HOSPITALITY MANAGEMENT, LLC **PN:** 001

(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
	Eaton Vance	Eaton Vance-Atlanta Cap Focused Growth A	0	164,554
	Federated	Federated Kaufmann R	0	377,279
	American Funds	American Funds EuroPacific Growth Fund A	0	459,620
	Dreyfus	Dreyfus Intermediate Term Income Fund A	0	481,413
	HighMark	HighMark U.S. Govt Money Mrkt A	0	204,514
	Participants Loan Account	Various Rates And Maturities	0	182,773