# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
ECC EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/2004

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

ENVIRONMENTAL CHEMICAL CORPORATION

1240 BAYSHORE HIGHWAY
BURLINGAME, CA 94010

**2b** Employer Identification Number (EIN)
61-1075360

**2c** Sponsor's telephone number
650-347-1555

**2d** Business code (see instructions)
562000

**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. | 12/07/2012 | TEDDY BERNARDO |
| | **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")
ENVIRONMENTAL CHEMICAL CORPORATION

1240 BAYSHORE HIGHWAY
BURLINGAME, CA 94010

**3b** Administrator's EIN
61-1075360

**3c** Administrator's telephone number
650-347-1555

**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** | 596 |
| **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** | 432 |
| **b** | Retired or separated participants receiving benefits | **6b** | 18 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 143 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 593 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 4 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 597 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 597 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 22 |
| **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:
2I 2O 2Q

**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)** | X | **G** (Financial Transaction Schedules) |

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

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ENVIRONMENTAL CHEMICAL CORPORATION

**D** Employer Identification Number (EIN)
61-1075360

## 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).. . . . . ☐ 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

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

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

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

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

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

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

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

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

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

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

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

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

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

| (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 ☐ |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

| | | |
|---|---|---|
| **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 G (Form 5500) | Financial Transaction Schedules | OMB No. 1210-0110 |
|---|---|---|
| Department of Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration | 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).<br><br>▶ **File as an attachment to Form 5500.** | **2011**<br><br>**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 | **B** Three-digit plan number (PN) ▶ |
|---|---|
| ECC EMPLOYEE STOCK OWNERSHIP PLAN | 002 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| ENVIRONMENTAL CHEMICAL CORPORATION | 61-1075360 |

## Part I Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible

Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| ☐ | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| ☐ | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| ☐ | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

| (a) | (b) Identity and address of obligor | (c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items |
|---|---|---|
| | | |

| | Amount received during reporting year | | | Amount overdue | |
|---|---|---|---|---|---|
| (d) Original amount of loan | (e) Principal | (f) Interest | (g) Unpaid balance at end of year | (h) Principal | (i) Interest |
| | | | | | |

## Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

| (a) | (b) Identity of lessor/lessee | (c) Relationship to plan, employer, employee organization, or other party-in-interest | (d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased) |
|---|---|---|---|
| ☐ | | | |

| (e) Original cost | (f) Current value at time of lease | (g) Gross rental receipts during the plan year | (h) Expenses paid during the plan year | (i) Net receipts | (j) Amount in arrears |
|---|---|---|---|---|---|
| | | | | | |

## Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

| **(a)** Identity of party involved | **(b)** Relationship to plan, employer, or other party-in-interest | **(c)** Description of transaction including maturity date, rate of interest, collateral, par or maturity value | **(d)** Purchase price |
|---|---|---|---|
| | | | |

| **(e)** Selling price | **(f)** Lease rental | **(g)** Transaction expenses | **(h)** Cost of asset | **(i)** Current value of asset | **(j)** Net gain (or loss) on each transaction |
|---|---|---|---|---|---|
| | | | | | |

# 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
ECC EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ENVIRONMENTAL CHEMICAL CORPORATION

**D** Employer Identification Number (EIN)
61-1075360

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 88000 | 0 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 2219262 | 563987 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 16542477 | 416088 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 9098296 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | 0 | 8863240 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(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) | 47040000 | 39200000 |
| **(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 | 65889739 | 58141611 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | 1380451 | 0 |
| **j** Other liabilities | 1j | 69713 | 0 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 1450164 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 64439575 | 58141611 |

## 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) | | |
| **(B)** Participants | 2a(1)(B) | | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 0 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | 688859 | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 688859 |
| **(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) | 767816 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 767816 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 115436 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 115436 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | -7589619 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | -7589619 |
| (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) | | |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | -6017508 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 271729 | |
| (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) | | 271729 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 8727 | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 8727 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 280456 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | -6297964 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (2) From this plan | 2l(2) | | 0 |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: GALLINA LLP (2) EIN: 94-2147510

**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 | | 5000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? **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** | | X | |

**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
ECC EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ENVIRONMENTAL CHEMICAL CORPORATION

**D** Employer Identification Number (EIN)
61-1075360

## 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): 55-0905915

**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):

# ECC Employee Stock Ownership Plan

**Financial Statements**
**and Supplemental Information**
**December 31, 2011 and 2010**

# ECC Employee Stock Ownership Plan
## Financial Statements and Supplemental Information
## Table of Contents


| | Page |
|---|---|
| Independent Auditor's Report | 2 |
| Statements of Net Assets Available for Benefits | 3 |
| Statement of Changes in Net Assets Available for Benefits | 4 |
| Notes to the Financial Statements | 5 |
| Schedule H, Line 4i- Supplemental Schedule of Assets | 15 |

GALLINA LLP
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Trustee and ESOP Committee
**ECC Employee Stock Ownership Plan**
Burlingame, California

We have audited the accompanying statements of net assets available for benefits of the ECC Employee Stock Ownership Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the ECC Employee Stock Ownership Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, line 4i – Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the financial statements as a whole.

Gallina LLP

Walnut Creek, California
December 5, 2012

# ECC Employee Stock Ownership Plan
## Statements of Net Assets Available for Benefits

| | December 31, 2011 | | | December 31, 2010 | | |
|---|---|---|---|---|---|---|
| | Allocated | Unallocated | Total | Allocated | Unallocated | Total |
| *Assets:* | | | | | | |
| Cash and cash equivalents | $ 416,088 | $ - | $ 416,088 | $ 849,178 | $ - | $ 849,178 |
| Investments, at fair value: | | | | | | |
| Environmental Chemical Corporation common stock | 39,200,000 | - | 39,200,000 | 47,040,000 | - | 47,040,000 |
| Corporate bonds | 7,691,424 | - | 7,691,424 | 9,038,989 | - | 9,038,989 |
| Municipal bonds | 1,271,893 | - | 1,271,893 | 119,237 | - | 119,237 |
| U.S. government bonds | 7,826,403 | - | 7,826,403 | 6,050,603 | - | 6,050,603 |
| Foreign bonds | 1,171,816 | - | 1,171,816 | 484,469 | - | 484,469 |
| Receivables: | | | | | | |
| Dividends | 563,987 | - | 563,987 | 2,498,420 | - | 2,498,420 |
| Accrued interest | - | 156,730 | 156,730 | - | 137,582 | 137,582 |
| Total assets | 58,141,611 | 156,730 | 58,298,341 | 66,080,896 | 137,582 | 66,218,478 |
| *Liabilities:* | | | | | | |
| Due to Environmental Chemical Corporation | - | - | - | 191,157 | - | 191,157 |
| Interest payable | - | - | - | 69,713 | - | 69,713 |
| Loans payable | - | - | - | 1,380,451 | - | 1,380,451 |
| Total liabilities | - | - | - | 1,641,321 | - | 1,641,321 |
| Net assets available for plan benefits | $ 58,141,611 | $ 156,730 | $ 58,298,341 | $ 64,439,575 | $ 137,582 | $ 64,577,157 |

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

# ECC Employee Stock Ownership Plan
## Statement of Changes in Net Assets Available for Benefits
## for the year ended December 31, 2011

| | Allocated | Unallocated | Total |
|---|---|---|---|
| Investment activities: | | | |
| Net appreciation in fair value of bonds | $ 365,817 | $ - | $ 365,817 |
| Net depreciation in fair value of Environmental Chemical Corporation common stock | (7,840,000) | - | (7,840,000) |
| Interest | 688,859 | 19,148 | 708,007 |
| Dividends | 767,816 | - | 767,816 |
| Net loss from investment activities | (6,017,508) | 19,148 | (5,998,360) |
| Deductions: | | | |
| Benefit payments | 271,729 | - | 271,729 |
| Administrative fees | 8,727 | - | 8,727 |
| Total deductions | 280,456 | - | 280,456 |
| Net increase (decrease) | (6,297,964) | 19,148 | (6,278,816) |
| Net assets available for benefits: | | | |
| Beginning of year | 64,439,575 | 137,582 | 64,577,157 |
| End of year | $ 58,141,611 | $ 156,730 | $ 58,298,341 |

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

# ECC Employee Stock Ownership Plan
## Notes to the Financial Statements
## December 31, 2011 and 2010

**Note 1: Description of Plan:**

The following description of the ECC Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

1. General: Environmental Chemical Corporation (the Company) established the ECC Employee Stock Ownership Plan (the Plan) effective as of January 1, 2004. The Plan operates as an employee stock ownership plan (ESOP), as defined in Section 4975(e)(7) of the Internal Revenue Code (Code), and as a stock bonus plan under Section 401(a) of the Code and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Company's Plan Committee, which is comprised of one person appointed by the Company's Board of Directors. The Plan's Trustee is also appointed by the Board of Directors of the Company.

   The Plan purchased Company common shares which were financed, in part, by an installment note payable to the seller (see Note 7) and holds the stock in a trust established under the Plan. The loan is to be repaid in six annual installments through December 31, 2010 by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vest fully after 6 years of service or termination of the Plan.

   The loan is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2011 and 2010 present separately the assets and liabilities and changes therein pertaining to:

   a. the accounts of employees with vested rights in allocated stock (Allocated) and
   b. stock not yet allocated to employees (Unallocated).

2. Eligibility: Employees of the Company and its participating affiliates are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours during such plan year and provided the employee has attained age 21. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of Company contributions for such year.

3. Payment of Benefits: In the event of separation of service because of death, disability or retirement, distribution of benefits will commence during the plan year following the plan year in which the employee separated from service. In the event of separation of service for reasons other than death, disability or retirement, distribution of benefits will commence during the sixth plan year following the plan year in which the employee separated from service.

**Note 1: Description of Plan, continued:**

3. Payment of Benefits, continued: Distribution of accounts exceeding $5,000 will be made in equal annual installments over a minimum of five years. Distribution of accounts with a value of $5,000 or less will be made in a lump sum.

   Distribution of benefits may be entirely in cash or entirely in the form of Employer Securities, however, because the Company has elected to be treated as an S corporation as defined in Code Section 1362(a)(1), participants are not entitled to demand distribution of benefits in the form of Employer Securities. If a distribution is made in the form of Employer Securities, such distribution shall be made in the form of whole shares of Employer Securities with the value of any fractional shares paid in cash or in the form of Employer Securities.

4. Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account only with respect to certain extraordinary transactions such as merger, consolidation, recapitalization, reclassification, dissolution, or sale of substantially all the Company assets. All other corporate matters requiring a vote of the shareholders, including election of the Board of Directors, will be voted by the Trustee. The Trustee shall vote any unallocated shares held by the Trust as well as any allocated shares for which a participant has failed to give timely voting direction.

5. Plan Termination: The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, each participant's account balance will become fully vested and distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code, after payment by the Trustee of all liabilities and expenses of the trust fund. Any unclaimed and unallocated shares will be treated as forfeitures and allocated to the remaining participants' accounts.

6. Participant Accounts: The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non vested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

**Note 1: Description of Plan, continued:**

7. Vesting: If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Company. The Plan was amended in accordance with the requirements of Pension Protection Act of 2006. Beginning on January 1, 2007, participants are vested based on years of service according to the following schedule:

| Years of Service | Percentage |
|---|---|
| Less than 2 years | 0% |
| 2 years | 20% |
| 3 years | 40% |
| 4 years | 60% |
| 5 years | 80% |
| 6 years | 100% |

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

9. Diversification: Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify may select among at least three other investment options, or in lieu of offering such investment options, the Plan Committee may direct that all amounts subject to participant elections be distributed. In lieu of receiving a distribution, a qualified participant may direct the Plan to transfer the distribution to another Company defined contribution plan, provided that the other plan accepts such rollovers.

**Note 1: Description of Plan, continued:**

10. Participant Accounts and Forfeitures: By plan amendment, effective January 1, 2010, employer contributions are allocated only to the accounts of participants who have two years of service in the proportion that each such participant's eligible compensation bears to the total eligible compensation of all such participants for the year. Any remaining contributions and Plan forfeitures are then allocated to each participant's account based upon the relation of the participant's eligible compensation, as defined in the plan, to total eligible compensation for the Plan year. Forfeitures of terminated non vested account balances allocated to remaining participants at December 31, 2011 and 2010 totaled $1,055,849 and $21,481, respectively. S Corporation distributions (dividends) are allocated to each participant's account based on the ratio of number of shares of Company Stock in a participant's Company Stock account at the beginning of the year to the number of shares in all participants' Company Stock accounts at the beginning of the year. Other Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year other account balance to all participants' beginning of the year other account balances.

**Note 2: Summary of Significant Accounting Policies:**

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates:

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

Investment Valuation and Income Recognition:

The Plan's 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.

**Note 2: Summary of Significant Accounting Policies, continued:**

Investment Valuation and Income Recognition, continued:

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net realized and unrealized appreciation (depreciation) in fair value of investments consists of the change in unrealized appreciation or depreciation during the year, and the realized gain or loss on the sales of investments during the year.

Administrative Expenses:

The bank charged trust fees, presented as administrative fees on the statement of changes in net assets available for benefits. All other expenses of maintaining the Plan are paid by the Company.

Recent Accounting Pronouncements:

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards*. The ASU clarified the application of certain existing fair value measurement guidance and expands the disclosure requirements for fair value measurements that are estimated using significant unobservable (Level 3) inputs and for assets and liabilities disclosed but not recorded at fair value. This ASU is effective for the Plan in 2012. The Plan does not expect the adoption of this ASU to have a material impact on its financial statements.

**Note 3: Income Tax Status:**

The Internal Revenue Service has determined and informed the Company by a letter dated March 3, 2006, that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. On March 23, 2011, the plan sponsor received an Acknowledgement of Request for Determination Letter from the Internal Revenue Service for the plan amendment made effective January 1, 2010 as described in Note 1.

**Note 3: Income Tax Status, continued:**

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

**Note 4: Administration of Plan Assets:**

The Plan's assets, which consist principally of Company common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company or its affiliates. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

**Note 5: Fair Value Measurements:**

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

**Note 5: Fair Value Measurements, continued:**

Level 2

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

*Corporate, municipal, U.S. government, and foreign bonds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Environmental Chemical Corporation (ECC) common stock:* Valued at estimated fair value based upon annual independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The determination of fair value was conducted under an assumption of minority interest with limited marketability.

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

**Note 5: Fair Value Measurements, continued:**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and December 31, 2010:

| | Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Corporate bonds | $ 7,691,424 | $ - | $ - | $ 7,691,424 |
| Municipal bonds | 1,271,893 | - | - | 1,271,893 |
| U.S. government bonds | 7,826,403 | - | - | 7,826,403 |
| Foreign bonds | 1,171,816 | - | - | 1,171,816 |
| ECC common stock | - | - | 39,200,000 | 39,200,000 |
| Total | $ 17,961,536 | $ - | $ 39,200,000 | $ 57,161,536 |

| | Assets at Fair Value as of December 31, 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Corporate bonds | $ 9,038,989 | $ - | $ - | $ 9,038,989 |
| Municipal bonds | 119,237 | - | - | 119,237 |
| U.S. government bonds | 6,050,603 | - | - | 6,050,603 |
| Foreign bonds | 484,469 | - | - | 484,469 |
| ECC common stock | - | - | 47,040,000 | 47,040,000 |
| Total | $ 15,693,298 | $ - | $ 47,040,000 | $ 62,733,298 |

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2011:

| | ECC common stock |
|---|---|
| Beginning balance | $ 47,040,000 |
| Unrealized depreciation in fair value | (7,840,000) |
| Ending balance | $ 39,200,000 |

**Note 6: Investments:**

Plan investments representing 5% or more of the Plan's net assets at December 31, 2011 and 2010 are presented in the following table:

Environmental Chemical Corporation Common Shares:

| | 2011 | 2010 |
|---|---|---|
| | Allocated | Allocated |
| Number of shares | 490,000 | 490,000 |
| Cost | $ 20,486,794 | $ 20,486,794 |
| Market | $ 39,200,000 | $ 47,040,000 |

**Note 7: Loans Payable:**

In July 28, 2006, the Plan entered into a $13,731,775 installment loan agreement with the seller of 354,170 of Company common shares. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over five years. The loan bears interest at 5.05%. The December 31, 2010 balance of $1,380,451, along with accrued interest of $69,713, was paid in full on January 4, 2011.

**Note 8: Employer Contributions:**

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its loan. There were no contributions in 2011.

**Note 9: Plan 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.

**Note 10: Risk and Uncertainties:**

The Plan invests in Company common stock and other corporate, municipal, U.S. government, and foreign bonds. 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.

The Plan also maintains cash in a bank deposit account which, at times may exceed federally insured limits. The Plan has not experienced any losses in such account.

**Note 11: Reconciliation of Financial Statements to Schedule H of Form 5500:**

The following is a reconciliation of net assets available for benefits and investment income per the financial statements for the year ended December 31, 2011 to Schedule H of Form 5500:

| | 2011 | 2010 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 58,298,341 | $ 64,577,157 |
| Less receivables at year end: | | |
| Accrued interest on bonds | (156,730) | (137,582) |
| Net assets available for benefits per Schedule H of Form 5500 | $ 58,141,611 | $ 64,439,575 |

| | |
|---|---|
| Investment loss per the financial statements | $ (5,998,360) |
| Less receivables at December 31, 2011: | |
| Accrued interest on bonds | (156,730) |
| Add receivables at December 31, 2010: | |
| Accrued interest on bonds | 137,582 |
| Investment loss per Schedule H of Form 5500 | $ (6,017,508) |

**Note 12: Subsequent Events:**

The Plan has evaluated subsequent events through December 5, 2012, which is the date the financial statements were available to be issued.

# ECC Employee Stock Ownership Plan
**Employer Identification Number 61-1075360**
**Plan Number 002**
**Schedule H, Line 4i- Supplemental Schedule of Assets**
**(Held at End of Year)**
**December 31, 2011**

SCHEDULE OF ASSETS (HELD AT END OF YEAR):

| (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 |
|---|---|---|---|---|
| * | Environmental Chemical Corporation | 490,000 shares no par, common stock | $20,486,794 | $ 39,200,000 |
| | Comerica Bank | Money Market | 20,634 | 20,634 |
| | First Amer. Govt. Oblig. Fund | Money Market | 395,454 | 395,454 |
| | Federal Home Ln. Mtg. Corp. | Bond, 3/27/2019, 3.75%, $630,000 | 704,431 | 719,164 |
| | Federal Home Ln. Mtg. Corp. | Bond, 4/18/2017, 5.00%, $665,000 | 734,339 | 788,690 |
| | Federal Home Ln. Mtg. Corp. | Bond, 11/1/2025, 4.00%, $23,886 | 25,067 | 25,076 |
| | Federal Home Ln. Mtg. Corp. | Bond, 2/1/2024, 4.50%, $361,802 | 378,875 | 383,616 |
| | Federal Home Ln. Mtg. Corp. | Bond, 3/1/2025, 4.00%, $242,779 | 253,780 | 254,875 |
| | Federal Nat'l. Mtg. Assoc. | Bond, 10/30/2014, 0.625%, $180,000 | 179,770 | 179,672 |
| | Federal Nat'l Mtg. Assoc. | Bond, 4/20/2012, 1.875%, $665,000 | 669,589 | 668,525 |
| | Federal Nat'l Mtg. Assoc. | Bond, 10/15/2013, 4.625%, $168,000 | 181,816 | 180,666 |
| | Federal Nat'l Mtg. Assoc. | Bond, 10/1/2024, 5.00%, $426,292 | 454,933 | 458,835 |
| | Federal Nat'l Mtg. Assoc. | Bond, 8/1/2025, 4.00%, $204,214 | 213,595 | 215,440 |
| | Federal Nat'l Mtg. Assoc. | Bond, 3/1/2026, 4.00%, $505,808 | 519,599 | 534,244 |
| | Federal Home Loan Banks | Bond, 6/18/2014, 5.25%, $470,000 | 527,006 | 523,105 |
| | Government Nat'l Mtg. Assoc. | Bond, 10/15/2039, 4.50%, $33,712 | 35,956 | 36,848 |
| | Government Nat'l Mtg. Assoc. | Bond, 6/15/2040, 4.50%, $363,840 | 384,022 | 396,891 |
| | US Treasury Note | Bond, 11/15/2021, 2.00%, $220,000 | 219,072 | 222,510 |
| | US Treasury Note | Bond, 8/15/2021, 2.125%, $118,000 | 117,470 | 121,024 |
| | US Treasury Note | Bond, 8/15/2020, 2.625%, $260,000 | 254,492 | 280,415 |
| | US Treasury Note | Bond, 2/15/2019, 2.75%, $690,000 | 674,257 | 755,709 |
| | US Treasury Note | Bond, 5/15/2021, 3.125%, $467,000 | 497,035 | 521,434 |
| | US Treasury Note | Bond, 11/15/2019, 3.375%, $286,000 | 303,128 | 326,017 |
| | US Treasury Note | Bond, 5/15/2020, 3.50%, $50,000 | 54,504 | 57,520 |
| | US Treasury Note | Bond, 2/15/2020, 3.625%, $52,000 | 55,365 | 60,308 |
| | US Treasury Note | Bond, 8/15/2019, 3.625%, $100,000 | 98,301 | 115,820 |
| | Alabama Power Co. | Bond, 11/15/2013, 5.80%, $270,000 | 296,532 | 294,127 |
| | Allstate Life Global Funding Tr. | Bond, 4/30/2013, 5.375%, $160,000 | 173,134 | 168,949 |
| | Banc of America Comm. Mtg. | Bond, 6/10/2039, 5.483%, $136,384 | 146,272 | 146,845 |
| | Banc of America Comm. Mtg. | Bond, 11/10/2042, Var, $61,000 | 63,898 | 60,142 |
| | Banc of America Comm. Mtg. | Bond, 4/10/2049, 5.634%, $102,870 | 105,044 | 105,222 |
| | Bank of America Corp. | Bond, 6/15/2012, 3.125%, $250,000 | 255,098 | 253,363 |

# ECC Employee Stock Ownership Plan
**Employer Identification Number 61-1075360**
**Plan Number 002**
**Schedule H, Line 4i- Supplemental Schedule of Assets**
**(Held at End of Year)**
**December 31, 2011**

SCHEDULE OF ASSETS (HELD AT END OF YEAR), CONTINUED:

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Cost | Current Value |
| | Bear Stearns Comm. Mtg. Secs. | Bond, 12/11/2040, 5.405%, $85,000 | 88,095 | 93,566 |
| | Berkshire Hathaway Inc. | Bond, 8/15/2016, 2.2%, $56,000 | 55,964 | 57,645 |
| | Blackrock Inc. | Bond, 12/10/2019, 5.00%, $165,000 | 175,053 | 180,065 |
| | Brown Forman | Bond, 2/1/2014, 5.00%, $200,000 | 208,996 | 215,524 |
| | Caterpillar Financial Service | Bond, 2/15/2019, 7.15%, $121,000 | 148,340 | 154,976 |
| | Chubb Corp. | Bond, 5/15/2018, 5.75%, $240,000 | 272,124 | 282,024 |
| | Citigroup Deutsche Bank | Bond, 7/15/2044, Var, $152,000 | 156,489 | 159,407 |
| | Coca Cola Co. | Bond, 11/15/2013, 0.75%, $221,898 | 220,240 | 222,304 |
| | Credit Suisse | Bond, 1/14/2020, 5.40%, $157,000 | 167,823 | 148,076 |
| | Credit Suisse NY | Bond, 5/1/2014, 5.50%, $124,000 | 134,463 | 128,888 |
| | Dover Corp. | Bond, 10/15/2015, 4.875%, $200,000 | 203,815 | 225,990 |
| | Ei Du Pont De Nemour | Bond, 1/15/2015, 3.25%, $160,000 | 167,006 | 170,630 |
| | General Electric Capital Corp. | Bond, 2/11/2021, 5.30%, $88,000 | 87,689 | 94,068 |
| | General Electric Capital Corp. | Bond, 8/7/2019, 6.00%, $194,000 | 203,078 | 222,834 |
| | Goldman Sachs | Bond, 4/1/2018, 6.15%, $125,000 | 130,794 | 129,011 |
| | Honeywell Int'l. | Bond, 2/15/2019, 5.00%, $265,000 | 270,570 | 308,431 |
| | HSBC Bank USA | Bond, 4/1/2014, 4.625%, $350,000 | 356,523 | 357,627 |
| | IBM Corp. | Bond, 10/15/2018, 7.625%, $275,000 | 338,373 | 369,039 |
| | Intel Corp. | Bond, 10/1/2021, 3.30%, $66,000 | 68,245 | 69,526 |
| | John Deere Capital Corp. | Bond, 9/15/2016, 1.85%, $43,000 | 42,977 | 43,371 |
| | JP Morgan Chase & Co. | Bond, 1/15/2018, 6.00%, $62,000 | 62,715 | 69,172 |
| | JP Morgan Chase & Co. | Bond, 8/15/2021, 4.35%, $178,000 | 178,049 | 179,764 |
| | LB UBS Comm. Mtg. | Bond, 8/15/2029, 5.02%, $171,000 | 176,611 | 181,978 |
| | LB UBS Comm. Mtg. | Bond, 10/15/2029, 4.786%, $75,000 | 76,134 | 79,892 |
| | McDonalds Corp. | Bond, 3/1/2018, 5.35%, $48,000 | 57,447 | 57,355 |
| | Morgan Stanley | Bond, 5/13/2014, 6.00%, $183,000 | 188,376 | 184,777 |
| | Morgan Stanley Capital | Bond, 8/13/2042, 4.989%, $158,000 | 161,403 | 171,972 |
| | National Rural Utilities | Bond, 7/1/2013, 5.50%, $215,000 | 223,913 | 229,951 |
| | Occidental Petroleum | Bond, 2/15/2017, 1.75%, $123,000 | 122,597 | 124,581 |
| | Pfizer Inc. | Bond, 3/15/2015, 5.35%, $154,000 | 167,106 | 174,203 |
| | PNC Funding Corp. | Bond, 6/22/2012, 2.30%, $85,000 | 84,901 | 85,847 |
| | Procter Gamble Co. | Bond, 8/15/2016, 1.45%, $44,000 | 43,732 | 44,516 |
| | Toronto Dominion Bank | Bond, 10/19/2016, 2.375%, $96,000 | 95,466 | 97,689 |
| | Travelers Cos Inc. | Bond, 6/20/2016, 6.25%, $150,000 | 173,666 | 174,789 |
| | Unilever Capital Corp. | Bond, 2/15/2014, 3.65%, $200,000 | 202,900 | 212,872 |

# ECC Employee Stock Ownership Plan
**Employer Identification Number 61-1075360**
**Plan Number 002**
**Schedule H, Line 4i- Supplemental Schedule of Assets**
**(Held at End of Year)**
**December 31, 2011**

SCHEDULE OF ASSETS (HELD AT END OF YEAR), CONTINUED:

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | Identity of issue, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par or maturity value | Cost | Current Value |
| | Union Bank | Bond, 6/6/2016, 3.00%, $250,000 | 249,148 | 254,275 |
| * | US Bank | Bond, 4/29/2020, 3.778%, $347,000 | 360,372 | 357,327 |
| | Wachovia Bank Comm. Mtg. | Bond, 12/15/2043, 5.246%, $141,000 | 140,846 | 142,502 |
| | Wal Mart Stores Inc. | Bond, 4/15/2016, 2.80%, $53,000 | 56,133 | 56,646 |
| | Walt Disney Company | Bond, 8/16/2016, 1.35%, $44,000 | 43,651 | 44,122 |
| | Wells Fargo Co. | Bond, 6/15/2016, 3.676%, $101,000 | 101,681 | 105,545 |
| | Abbey National Treasury Service | Bond, 4/27/2016, 4.00%, $88,000 | 87,965 | 78,949 |
| | Bank of Nova Scotia | Bond, 3/29/2016, 2.90%, $167,000 | 166,723 | 172,880 |
| | Barclays Bank | Bond, 1/8/2020, 5.125%, $160,000 | 157,323 | 164,355 |
| | Bhp Finance USA | Bond, 4/1/2019, 6.50%, $270,000 | 300,574 | 333,601 |
| | BP Capital Markets | Bond, 3/11/2016, 3.20%, $334,000 | 334,691 | 350,039 |
| | Statoil Asa | Bond, 1/23/2022, 3.15%, $70,000 | 69,881 | 71,992 |
| | New York Build America Bonds | Bond, 3/1/2020, 4.774%, $120,000 | 120,000 | 134,303 |
| | Charles County MD | Bond, 3/1/2015, 5.00%, $160,000 | 181,355 | 181,910 |
| | Maryland ST Second Series E | Bond, 8/1/2015, 5.00%, $180,000 | 206,330 | 207,405 |
| | NY City Trans. Fin. Auth. Ser. B | Bond, 11/1/2015, 5.00%, $155,000 | 177,241 | 178,837 |
| | NY City Trans. Fin. Auth. SubSer.A1 | Bond, 11/1/2015, 5.00%, $175,000 | 200,111 | 201,913 |
| | North Myrtle Beach | Bond, 3/1/2018, 4.00%, $130,000 | 145,378 | 150,400 |
| | Virginia College Building Auth. | Bond, 9/1/2017, 5.00%, $180,000 | 211,540 | 217,123 |
| | | | $38,301,878 | $ 57,577,624 |

* A party-in-interest, as defined by the Employee Retirement Income Security Act of 1974, as amended.

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

**Plan Name** ECC EMPLOYEE STOCK OWNERSHIP PLAN **EIN:** 61-1075360
**Plan Sponsor's Name** ENVIRONMENTAL CHEMICAL CORPORATION **PN:** 002

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | COMPANY STOCK | 490,000 SH COMMON | 20,486,794 | 39,200,000 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |