# 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 11/01/2011 and ending 10/31/2012

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

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

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

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

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

**1a** Name of plan
NEP ELECTRONICS, INC. EMPLOYEE PROFIT SHARING PLAN & TRUST

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 10/31/1988

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

NEP ELECTRONICS, INC.

805 MITTEL DRIVE
WOOD DALE, IL 60191

**2b** Employer Identification Number (EIN) 36-2920506

**2c** Sponsor's telephone number 630-595-8500

**2d** Business code (see instructions) 423600

**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. | 07/11/2013 | THOMAS LOTUS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 07/11/2013 | THOMAS LOTUS |
| | **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")
NEP ELECTRONICS, INC.

805 MITTEL DRIVE
WOOD DALE, IL 60191

**3b** Administrator's EIN
36-2920506

**3c** Administrator's telephone number
630-595-8500

**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** | 186 |
| **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** | 99 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 50 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 149 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 149 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 149 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 9 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<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 11/01/2011 and ending 10/31/2012

**A** Name of plan
NEP ELECTRONICS, INC. EMPLOYEE PROFIT SHARING PLAN & TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NEP ELECTRONICS, INC.

**D** Employer Identification Number (EIN)
36-2920506

## 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

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

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

CORNERSTONE NATIONAL BANK TRUST CO

ONE WEST NORTHWEST HWY
PALATINE, IL 60067

| (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? |
|---|---|---|---|---|---|---|
| 52 | INVESTMENT MGR | 24965 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] 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 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 11/01/2011 and ending 10/31/2012

**A** Name of plan
NEP ELECTRONICS, INC. EMPLOYEE PROFIT SHARING PLAN & TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NEP ELECTRONICS, INC.

**D** Employer Identification Number (EIN)
36-2920506

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 18686 | 16147 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 237673 | 401704 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | 1162532 | 901780 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 1378100 | 1363289 |
| **(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) | 642698 | 884663 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 3439689 | 3567583 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | | |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 3439689 | 3567583 |

## 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) | | |
| **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) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | 113994 | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 113994 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 6368 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 6368 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 152280 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 272642 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 119783 | |
| (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) | | 119783 |
| **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) | 24965 | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 24965 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 144748 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | 127894 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

(1) [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: DUFEK & COMPANY, LLC (2) EIN: 27-1515696

**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 | | 350000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | X | | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

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

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 11/01/2011 and ending 10/31/2012

**A** Name of plan
NEP ELECTRONICS, INC. EMPLOYEE PROFIT SHARING PLAN & TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NEP ELECTRONICS, INC.

**D** Employer Identification Number (EIN)
36-2920506

## 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): 36-2920506

**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):

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Financial Statements
## (with supplemental material)
**October 31, 2012 and 2011**

Dufek & Co.
Certified Public Accountants

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Financial Statements
## (with supplemental material)
**October 31, 2012 and 2011**

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

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Dufek & Co.
Certified Public Accountants

Dufek & Company, LLC
One South Dearborn, Suite 2100
Chicago, Illinois 60603
Telephone: (312) 848.7616
www.5500audit.com

# Independent Auditors' Report

Plan Administrator and Participants
NEP Electronics, Inc. Employee Profit Sharing Plan & Trust
Wood Dale, Illinois 60191

***Report on the Financial Statements***

We have audited the accompanying financial statements of NEP Electronics, Inc. Employee Profit Sharing Plan & Trust (the Plan), which comprise the statements of net assets available for benefits as of October 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended October 31, 2012, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Dufek & Co.
Certified Public Accountants

Dufek & Company, LLC
One South Dearborn, Suite 2100
Chicago, Illinois 60603
Telephone: (312) 848.7616
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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of October 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended October 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year), schedule of assets (acquired and disposed of within year), and schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the financial statements but are 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 information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Dufek & Company, LLC

Chicago, Illinois
July 1, 2013

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Statements of Net Assets Available for Benefits

| *October 31,* | 2012 | 2011 |
|---|---|---|
| **Assets** | | |
| **Investments**, at fair value (Notes 3, 4 and 5) | | |
| Common stocks | $ 1,363,289 | $ 1,378,100 |
| Corporate bonds | 901,780 | 1,162,532 |
| Mutual funds | 884,663 | 642,698 |
| Certificates of deposit | 253,031 | 200,655 |
| Money market | 148,673 | 37,018 |
| Total investments at fair value | 3,551,436 | 3,421,003 |
| **Receivables** | | |
| Accrued interest | 16,102 | 18,686 |
| Due from broker | 45 | - |
| Total receivables | 16,147 | 18,686 |
| **Net assets available for benefits** | $ 3,567,583 | $ 3,439,689 |

*See accompanying notes to financial statements*

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Statement of Changes in Net Assets Available for Benefits

| *Year ended October 31,* | 2012 |
|---|---|
| **Additions** | |
| Investment income | |
| Net appreciation in fair value of investments (Note 3) | $ 158,648 |
| Interest and dividends | 113,994 |
| Total additions | 272,642 |
| **Deductions** | |
| Benefits paid to participants | 119,783 |
| Administrative expenses | 24,965 |
| Total deductions | 144,748 |
| Net increase | 127,894 |
| **Net assets available for benefits,** beginning of year | 3,439,689 |
| **Net assets available for benefits,** end of year | $ 3,567,583 |

*See accompanying notes to financial statements*

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Notes to Financial Statements

### Note 1. Description of Plan

The following description of NEP Electronics, Inc. (the "Company") Employee Profit Sharing Plan & Trust (the "Plan") is provided for general informational purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General:** The Plan is a defined contribution plan covering all employees of the Company who meet certain eligibility requirements. Eligibility requirements are satisfied upon completion of one year of service and reaching age 21. The Plan is subject to the provisions of ERISA.

**Contributions:** On an annual basis, the Company's Board of Directors shall determine, in its discretion, a Company profit sharing contribution. Profit sharing contributions are allocated in the ratio that each participant's compensation bears to the aggregate compensation of all participants and is subject to Social Security integration levels as defined in the Plan's provisions. For the year ended October 31, 2012, there was no profit sharing contribution.

The Company directs the investment of all contributions into various investment options offered in the Plan.

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

**Vesting:** Vesting is based on years of continuous service. A participant vests over a 6 year graded schedule: 0-1 year-0%; 2 years-20%; 3 years-40%; 4 years-60%; 5 years-80%; 6 years-100%.

**Notes Receivable (Loans) From Participants:** Participant loans are not allowed.

**Payment of Benefits:** On termination of service due to death, disability, separation or retirement, a participant may elect to receive a lump-sum amount.

The Plan has the ability to make automatic distributions without participant consent for terminated participants that fail to affirmatively elect a distribution and have a vested account balance under $1,000.

**Forfeited Accounts:** Forfeited amounts are allocated to the remaining participants using the same methodology used to allocate profit sharing contributions. For the year ended October 31, 2012, nonvested forfeitures amounting to $7,030 were reallocated to participants. There were no forfeited nonvested accounts at October 31, 2012 or 2011.

### Note 2. Summary of Accounting Policies

**Basis of Accounting:** The financial statements of the Plan are prepared on the accrual basis of accounting.

**Use of Estimates:** The preparation of financial statements in accordance 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 and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition:** Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Sponsor determines the Plan's valuation policies utilizing information provided by the custodian. See Note 4 for discussion of fair value measurements.

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

**Payment of Benefits:** Benefits are recorded when paid.

**Expenses:** Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Investment related expenses are included in net appreciation of fair value of investments.

**Subsequent Events:** The Plan has evaluated subsequent events through July 1, 2013, the date the financial statements were issued.

**New Accounting Pronouncements:** In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU 2011-04 amended Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in U.S. generally accepted accounting principles ("U.S. GAAP") and International Financial Reporting Standards ("IFRSs"). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures (although certain of these new disclosures are not required for nonpublic entities). The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The adoption of this requirement did not have a material impact on the Plan's financial statements.

### Note 3. Investments

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

| *October 31,* | 2012 | 2011 |
|---|---|---|
| Vanguard Total Intl Stock Index | 200,223 | 174,436 |
| Vanguard Small-Cap Vipers | 195,342 | 183,808 |
| Northern Institutional Core Bond Fund | 184,207 | 174,375 |

During the year ended October 31, 2012, the Plan's investments appreciated (including gains and losses on investments bought and sold, as well as held during the year) as follows:

| | 2012 |
|---|---|
| Common stock | $ 124,551 |
| Mutual funds | 36,332 |
| Corporate bonds | ( 2,235 ) |
| Total appreciation | $ 158,648 |

### Note 4. Fair Value Measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). 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.

***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; and
- 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.

**Note 4. Fair Value Measurement (cont.)**

***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 maximize the use of relevant 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 October 31, 2012 and 2011.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Certificates of deposit:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

*Money market funds:* Valued at cost, which approximates fair value.

**Note 4. Fair Value Measurement (cont.)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of October 31, 2012 and 2011:

| | Assets at Fair Value as of October 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Common stocks | $ 1,363,289 | $ - | $ - | $ 1,363,289 |
| Corporate bonds | 901,780 | - | - | 901,780 |
| Mutual funds | | | | |
| Intl equity | 200,223 | - | - | 200,223 |
| Closed end equity | 426,493 | - | - | 426,493 |
| Fixed income funds | 257,947 | - | - | 257,947 |
| Total mutual funds | 884,663 | - | - | 884,663 |
| Certificates of deposit | - | 253,031 | - | 253,031 |
| Money market funds | 148,673 | - | - | 148,673 |
| Total investments at fair value | $ 3,298,405 | $ 253,031 | $ - | $ 3,551,436 |

| | Assets at Fair Value as of October 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Common stocks | $ 1,378,100 | $ - | $ - | $ 1,378,100 |
| Corporate bonds | 1,162,532 | - | - | 1,162,532 |
| Mutual funds | | | | |
| Intl equity | 174,436 | - | - | 174,436 |
| Closed end equity | 293,887 | - | - | 293,887 |
| Fixed income funds | 174,375 | - | - | 174,375 |
| Total mutual funds | 642,698 | - | - | 642,698 |
| Certificates of deposit | - | 200,655 | - | 200,655 |
| Money market funds | 37,018 | - | - | 37,018 |
| Total investments at fair value | $ 3,220,348 | $ 200,655 | $ - | $ 3,421,003 |

## Note 5. Certificates of Deposit

Certificates of deposit consist of amounts on deposit at banks with interest rates ranging from 1.0% to 1.8%, with maturities ranging from one to three years. All deposits were federally insured at October 31, 2012.

## Note 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## Note 7. Tax Status

The Company has adopted a volume submitter plan. The IRS has determined and informed the record keeper by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

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 if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to statutory periods.

## Note 8. Risks and Uncertainties

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

# Supplemental Material

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Federal ID #36-2920506, Plan #001
## Schedule H, Line 4j – Schedule of Reportable Transactions
## October 31, 2012

| [a] Identity of party involved | [b] Description of asset | [c] Purchase price | [d] Selling price | [e] Lease rental | [f] Expense incurred with transaction | [g] Cost of asset | [h] Current value of asset on transaction date | [i] Net gain or (loss) |
|---|---|---|---|---|---|---|---|---|
| SDIT Prime Obligation | Money Market | 401,725 | NA | NA | - | 401,725 | 401,725 | - |
| SDIT Prime Obligation | Money Market | 290,071 | 290,071 | NA | - | 290,071 | 290,071 | - |

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Federal ID #36-2920506, Plan #001
## Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
## October 31, 2012

| (a) | (b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Fair Value |
|---|---|---|---|---|
| | Abbott Labs Inc | 571 shares of common stock | $ 28,821 | $ 37,401 |
| | Analog Devices Inc | 1,213 shares of common stock | 47,879 | 47,454 |
| | Apache Corp | 429 shares of common stock | 50,676 | 35,486 |
| | Apple Inc | 78 shares of common stock | 26,806 | 46,435 |
| | Autodesk Inc Com | 1,525 shares of common stock | 51,874 | 48,574 |
| | Celgene Corporation | 419 shares of common stock | 22,390 | 30,734 |
| | Charles Schwab Corp | 2,750 shares of common stock | 48,424 | 37,345 |
| | Chevron Corporation | 336 shares of common stock | 28,742 | 37,041 |
| | Coca Cola Co | 944 shares of common stock | 28,655 | 35,098 |
| | Comcast Corp | 1,016 shares of common stock | 24,200 | 38,125 |
| | Covidien PLC | 431 shares of common stock | 22,233 | 23,683 |
| | Danaher Corp | 590 shares of common stock | 31,258 | 30,521 |
| | Expeditors Intl Wash Inc | 568 shares of common stock | 28,840 | 20,794 |
| | Express Scripts Hldg | 485 shares of common stock | 25,851 | 29,849 |
| | ExxonMobil Corp | 428 shares of common stock | 31,756 | 39,021 |
| | General Dynamics Corp | 595 shares of common stock | 43,022 | 40,508 |
| | General Mills | 762 shares of common stock | 30,122 | 30,541 |
| | Halliburton Co Com | 1,046 shares of common stock | 37,754 | 33,775 |
| | Intel Corp | 1,874 shares of common stock | 42,221 | 40,535 |
| | JP Morgan Chase & Co | 1,290 shares of common stock | 52,801 | 53,767 |
| | Juniper Networks Inc | 2,706 shares of common stock | 59,202 | 44,838 |
| | Kohls | 657 shares of common stock | 34,420 | 35,005 |
| | Kraft Foods Group Inc | 239 shares of common stock | 10,557 | 10,865 |
| | Lowes Co. Inc | 1,247 shares of common stock | 32,284 | 40,378 |
| | McDonald's Corp | 419 shares of common stock | 32,434 | 36,369 |
| | Mondelez International Inc | 719 shares of common stock | 19,590 | 19,090 |
| | Nike Inc | 389 shares of common stock | 31,439 | 35,547 |
| | Noble Corp | 941 shares of common stock | 38,625 | 35,513 |
| | Norfolk Southern Corp | 430 shares of common stock | 29,313 | 26,381 |
| | Novartis AG | 632 shares of common stock | 35,903 | 38,211 |
| | Nucor Corp | 624 shares of common stock | 28,432 | 25,041 |
| | Oracle Corporation Com | 1,462 shares of common stock | 41,210 | 45,439 |
| | PepsiCo Inc Com | 492 shares of common stock | 31,859 | 34,066 |
| | Procter & Gamble Co | 537 shares of common stock | 31,799 | 37,182 |
| | Qualcomm Inc Com | 746 shares of common stock | 38,326 | 43,723 |
| | State Street Corp | 913 shares of common stock | 41,534 | 40,692 |
| | United Parcel Service Inc - Cl B | 419 shares of common stock | 30,863 | 30,692 |
| | Wells Fargo & Co | 1,412 shares of common stock | 40,174 | 47,570 |
| | | **Total common stock** | 1,312,289 | 1,363,289 |
| | 3M Company | $50,000 note dated 08/21/2008, maturity date 08/15/2013, 4.38% interest | 52,695 | 51,647 |
| | Caterpillar Inc | $50,000 note dated 12/05/2008, maturity date 12/15/2013, 7.00% interest | 58,418 | 53,587 |
| | CME Group Inc | $150,000 note dated 02/09/2009, maturity date 02/15/2014, 5.75% interest | 167,219 | 159,747 |
| | Dupont De Nemours | $100,000 note dated 11/12/2002, maturity date 11/15/2012, 4.75% interest | 108,013 | 100,123 |
| | General Electric Capital | $100,000 note dated 09/17/2004, maturity date 09/15/2014, 4.75% interest | 104,996 | 107,388 |

Continued

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

## Federal ID #36-2920506, Plan #001
## Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
## October 31, 2012

| (a) | (b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Fair Value |
|---|---|---|---|---|
| | Goldman Sachs Group | $50,000 note dated 03/31/2003, maturity date 04/01/2013, 5.25% interest | $ 52,884 | $ 50,934 |
| | JPMorgan Chase | $100,000 note dated 04/28/2008, maturity date 05/01/2013, 4.75% interest | 107,961 | 102,038 |
| | Morgan Stanley | $100,000 note dated 01/09/2007, maturity date 01/09/2017, 5.45% interest | 96,005 | 110,729 |
| | Vodafone Group PLC | $100,000 note dated 06/26/2003, maturity date 07/15/2018, 4.63% interest | 91,800 | 115,427 |
| | Walt Disney Company | $50,000 note dated 12/04/2007, maturity date 12/01/2012, 4.70% interest | 54,746 | 50,160 |
| | | **Total corporate bonds** | 894,737 | 901,780 |
| | Financial Select Sector SPDR | 2,979 units | 42,210 | 47,364 |
| | iShares Dow Jones | 750 units | 15,815 | 18,315 |
| | Materials Select SPDR Sector Index | 716 units | 20,986 | 25,798 |
| | Northern Institutional Core Bond | 16,823 units | 177,189 | 184,207 |
| | SIMT High Yield Bond Fund | 9,664 units | 72,000 | 73,740 |
| | Utilities Select Sector SPRD | 1,064 units | 37,332 | 39,256 |
| | Vanguard MSCI Emerging Markets | 2,420 units | 118,131 | 100,418 |
| | Vanguard Small-Cap Vipers | 2,473 units | 195,196 | 195,342 |
| | Vanguard Total Intl Stock Index | 13,992 units | 230,000 | 200,223 |
| | | **Total mutual funds** | 908,859 | 884,663 |
| | Ally Bank Utah | Certificate of deposit, maturity date 01/22/13, 1.0% interest | 50,000 | 50,064 |
| | Ally Bank Utah | Certificate of deposit, maturity date 01/21/14, 1.4% interest | 50,000 | 50,501 |
| | BMW Bank North America | Certificate of deposit, maturity date 12/01/15, 1.8% interest | 50,000 | 50,788 |
| | GE Capital Financial Inc | Certificate of deposit, maturity date 03/04/15, 1.8% interest | 100,000 | 101,678 |
| | | **Total certificates of deposit** | 250,000 | 253,031 |
| | SDIT Prime Obligation Fund | Money Market | 148,673 | 148,673 |
| | | **Total money market** | 148,673 | 148,673 |
| | | **Total** | $ 3,514,558 | $ 3,551,436 |

# NEP Electronics, Inc. Employee Profit Sharing Plan & Trust

**Federal ID #36-2920506, Plan #001**
**Schedule H, Line 4i – Schedule of Assets (Acquired and Disposed of within Year)**
**October 31, 2012**

| [a] Identity of issue, borrower, lessor or similar party | [b] Description of investment including maturity date, rate of interest, collateral, par, or maturity value | [c] Costs of acquisitions | [d] Proceeds of dispositions |
|---|---|---|---|
| Analog Devices Inc | 100 shares of common stock | $ 3,947 | $ 3,950 |
| Entergy Corp | 285 shares of common stock | 19,606 | 18,989 |
| Express Scripts Hldg | 143 shares of common stock | 7,622 | 8,836 |
| Wal-Mart Stores Inc | 20 shares of common stock | 1,141 | 1,486 |