# 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

**2012**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

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

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

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

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

**1a** Name of plan
SDI INDUSTRIES, INC. PS & 401K PLAN

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

**1c** Effective date of plan 12/01/1996

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

SDI INDUSTRIES, INC.

13000 PIERCE ST
PACOIMA, CA 91331

**2b** Employer Identification Number (EIN)
95-3310826

**2c** Sponsor's telephone number
818-890-6002

**2d** Business code (see instructions)
333200

**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. | 07/24/2013 | DAVID PANEIKO |
| | **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 |

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

**3a** Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 293 |
| **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** | 229 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 103 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 332 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 332 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 229 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 54 |
| **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 Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

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

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

- **(1)** [X] 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)** [X] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [ ] 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)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
SDI INDUSTRIES, INC. PS & 401K PLAN

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

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

**D** Employer Identification Number (EIN)
95-3310826

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier

HARTFORD LIFE INSURANCE COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 06-0974148 | 88072 | GA-711678 | 229 | 01/01/2012 | 12/31/2012 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| 6354 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

UBS FINANCIAL SVCS INS AGCY
1000 HARBOUR BLVD 8TH FLOOR
WEEHAWKEN, NJ 07086

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| 6354 | | | 3 |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| **4** | Current value of plan's interest under this contract in the general account at year end | **4** | 0 |
| **5** | Current value of plan's interest under this contract in separate accounts at year end | **5** | 2031632 |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| **b** | Premiums paid to carrier | **6b** | |
| **c** | Premiums due but unpaid at the end of the year | **6c** | |
| **d** | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | **6d** | |

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP FUNDING AGREEMENT

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | 0 |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | 0 | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | 0 | | |
| | (4) Transferred from separate account | **7c(4)** | 0 | | |
| | (5) Other (specify below) | **7c(5)** | 0 | | |
| | ▶ | | | | |
| | (6) Total additions | | | **7c(6)** | 0 |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**). | | | **7d** | 0 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | 0 | | |
| | (2) Administration charge made by carrier | **7e(2)** | 0 | | |
| | (3) Transferred to separate account | **7e(3)** | 0 | | |
| | (4) Other (specify below) | **7e(4)** | 0 | | |
| | ▶ | | | | |
| | (5) Total deductions | | | **7e(5)** | 0 |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | **7f** | 0 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

| 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.** | **2012**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| SDI INDUSTRIES, INC. PS & 401K PLAN | 002 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| SDI INDUSTRIES, INC. | 95-3310826 |

## 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)

HARTFORD LIFE INSURANCE COMPANY

06-0974148

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66 | NONE | 673 | 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? |
|---|---|---|---|---|---|---|
| 67 99 | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

RELIANCE TRUST COMPANY

58-1428634

| (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? |
|---|---|---|---|---|---|---|
| 25 99 | NONE | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 400 | Yes [ ] No [X] |

**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)

MESIROW FINANCIAL INVESTMENT MGMT.

36-3429599

| (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? |
|---|---|---|---|---|---|---|
| 27 49 | NONE | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 46 | 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 |
|---|---|---|
| HARTFORD LIFE INSURANCE COMPANY | 15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66 67 99 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| SEE ATTACHED<br><br>06-0974148 | SEE ATTACHED |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| RELIANCE TRUST COMPANY | 25 99 | 400 |

| **(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. |
|---|---|
| HARTFORD LIFE INSURANCE COMPANY<br><br>06-0974148 | SEE ATTACHED |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| MESIROW FINANCIAL INVESTMENT MGMT. | 27 49 | 46 |

| **(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. |
|---|---|
| HARTFORD LIFE INSURANCE COMPANY<br><br>06-0974148 | SEE ATTACHED |

## 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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

# DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

**2012**

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

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
SDI INDUSTRIES, INC. PS & 401K PLAN

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

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
SDI INDUSTRIES, INC.

**D** Employer Identification Number (EIN)
95-3310826

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT 401

**b** Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 06-0974148-000 | P | 2031632 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# 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

**2012**

**This Form is Open to Public Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
SDI INDUSTRIES, INC. PS & 401K PLAN

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

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

**D** Employer Identification Number (EIN)
95-3310826

## 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) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(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) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(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) | 25797 | 47583 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 280003 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(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) | 1445041 | 2031632 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 0 | 0 |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(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 | 1750841 | 2079215 |
| | **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 | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 1750841 | 2079215 |

## 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) | 38863 | |
| | **(B)** Participants | 2a(1)(B) | 272107 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 94754 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 405724 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 2086 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 2086 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(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) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 211214 |
| (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) | | 0 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 619024 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 282845 | |
| (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) | | 282845 |
| f Corrective distributions (see instructions) | 2f | | 7142 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 673 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 673 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 290660 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 328364 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 10 |
| (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)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

**(1)** Name: KIRSCH KOHN & BRIDGE, LLP **(2)** EIN: 95-3404284

**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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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 | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

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

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

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

## Part V Trust Information (optional)

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

# 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

**2012**

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

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
SDI INDUSTRIES, INC. PS & 401K PLAN

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

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

**D** Employer Identification Number (EIN)
95-3310826

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1**

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 06-0974148

**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** 0

## 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** 0

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b** 0

**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** 0

**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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# SDI INDUSTRIES, INC.
# PROFIT SHARING AND 401(K) PLAN

## Financial Statements and
## Independent Auditor's Report

## December 31, 2012

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Financial Statements and Independent Auditor's Report
December 31, 2012

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| All other schedules required by the Department of Labor are omitted because they are not applicable. | |

KIRSCH KOHN & BRIDGE LLP
Certified Public Accountants and Advisors

## Independent Auditor's Report

Plan Administrator
SDI Industries, Inc. Profit Sharing and 401(k) Plan
Pacoima, California

**Report on the Financial Statements**
We were engaged to audit the accompanying statements of net assets available for benefits (modified cash basis) of SDI Industries, Inc. Profit Sharing and 401(k) Plan (the Plan), as of December 31, 2012 and 2011, the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2012, and supplemental schedule provided pursuant to the Department of Labor rules and regulations.

**Management's Responsibility for the Financial Statements**
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; 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 conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**
As permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974, the Plan trustee instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by The Hartford Life Insurance Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the administrator of the Plan that the Plan custodian holds the Plan's investment assets and executes investment transactions. The administrator of the Plan has obtained a certification from the Plan custodian that the information provided to the administrator of the Plan by the Plan custodian as of and for the year ended December 31, 2012, is complete and accurate.

## Independent Auditor's Report (Continued)

**Disclaimer of Opinion**
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**
We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year), which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Kirsch, Kohn + Bridge LLP

Encino, California
June 18, 2013

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Statements of Net Assets Available for Benefits
(Modified Cash Basis)
December 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| **ASSETS** | | |
| **INVESTMENTS AT FAIR VALUE** | | |
| Value of interest in registered investment companies | $ 2,031,632 | $ 1,445,042 |
| Value of interest in common and collective trusts | - | 280,002 |
| **TOTAL INVESTMENTS** | 2,031,632 | 1,725,044 |
| **RECEIVABLES** | | |
| Notes receivable from participants | 47,583 | 25,797 |
| **TOTAL RECEIVABLES** | 47,583 | 25,797 |
| **TOTAL ASSETS** | 2,079,215 | 1,750,841 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 2,079,215 | $ 1,750,841 |

See accompanying independent auditor's report
and notes to financial statements

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Statement of Changes in Net Assets Available for Benefits
(Modified Cash Basis)
For the Year Ended December 31, 2012

| | |
|---|---|
| **ADDITIONS** | |
| Additions to net assets attributable to: | |
| Net appreciation in fair value of investments | $ 163,820 |
| Dividend income | 47,394 |
| Interest on notes receivable from participants | 2,086 |
| Contributions: | |
| Employer's contributions | 38,863 |
| Participants' contributions | 272,107 |
| Rollovers | 94,754 |
| Transfer of assets | 10 |
| **TOTAL ADDITIONS** | 619,034 |
| **DEDUCTIONS** | |
| Deductions from net assets attributable to: | |
| Benefits paid to participants | 282,845 |
| Corrective distributions | 7,142 |
| Administrative expenses | 673 |
| **TOTAL DEDUCTIONS** | 290,660 |
| **NET INCREASE** | 328,374 |
| **NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR** | 1,750,841 |
| **END OF THE YEAR** | $ 2,079,215 |

See accompanying independent auditor's report
and notes to financial statements

## 1. DESCRIPTION OF THE PLAN

The following description of the SDI Industries, Inc. ("Company") Profit Sharing and 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### A. General

The Plan is a fully participant-directed defined contribution plan covering all non-union full-time employees of the Company who are immediately eligible to participate in the plan if they so choose. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### B. Contributions

Each year, participants may contribute from 1% to 100% of pretax annual compensation, as defined in the Plan, up to the maximum allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Employer matching and nonelective contributions are discretionary. Participants exercise investment direction over 100% of the assets in all of the accounts under the Plan.

### C. Participant accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may change their investment options daily, using a touch-tone telephone or by Internet access.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### D. Notes receivable from participants

Participants may borrow from their fund accounts up to an amount equal to the lesser of $50,000 or 50% of their vested account balance. Participants requesting new loans may have only one outstanding loan at any one time. Loans made under prior Plan provisions will remain outstanding until repaid in accordance with its terms.

Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes fund. At December 31, 2012, the outstanding participant loans amounted to $47,583, with interest rates of 4.25%.

### E. Vesting

Participants are immediately vested in their contributions. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. The Plan interprets a year of service as a period of continuous employment in which a participant reaches 1,000 hours of service. Under this method, a full-time employee may meet the required hours after six months of continuous service.

A participant's interest attributable to the annual Company contribution plus forfeitures shall vest as follows:

| | |
|---|---|
| 1 Year | 20% |
| 2 Years | 40% |
| 3 Years | 60% |
| 4 Years | 80% |
| 5 Years or more | 100% |

### F. Payment of benefits

Upon termination of service due to death, disability, retirement or other reasons, a participant (or beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum payment.

### G. Administrative expenses

Except to the extent that forfeitures are used to pay Plan expenses and a quarterly fee of $100 which is paid by the Plan sponsor, the expenses of administration of the Plan are paid from and allocated among participants' accounts.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### H. Forfeited accounts

Forfeited accounts are used, at the Company's discretion, for the payment of the Plan's administrative expenses, to the restoration of any participant's forfeited account balance upon reemployment, or to supplement the employer contribution. All expenses of maintaining the Plan not covered by forfeitures are paid by the Company. At December 31, 2012, there were no non-vested forfeitures.

## 2. SUMMARY OF ACCOUNTING POLICIES

### A. Basis of accounting

The financial statements of the Plan are prepared under the modified cash basis method of accounting. This accounting method differs from the accrual method of accounting in that it excludes recognition of dividend and interest income until the cash is actually received. Employer and employee contributions are recorded when received.

### B. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### C. Investment valuation and income recognition

The Plan invests in variable investment offerings through pooled separate accounts, which are unregistered. These pooled separate accounts are divided into investment divisions or sub-accounts, which in turn invest in shares of an underlying mutual fund. Sub-account values are measured in terms of accumulation units ("AU"). The AU of a sub-account are assigned a daily unit value based on that sub-account's net investment factor ("NIF"). The NIF of each sub-account equals the net asset value ("NAV") per share of the underlying fund held in the sub-account at the end of the current valuation day, divided by the NAV per share of the underlying fund held in the sub-account at the end of the prior valuation day, minus any applicable daily mortality and expense risk and administration charges. Purchases and sales of investments are recorded on a trade-date basis.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

## 2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### D. Benefit payments

Benefits are recorded when paid.

### E. Concentration of credit risk

The Plan has exposure to credit risk to the extent that its investments are subject to market fluctuations that may materially affect the value of the investment balances.

## 3. INVESTMENTS

Participants in the Plan may direct employee and employer contributions into, and transfer funds among any of the investment options offered by the Plan.

The following investments represent five percent or more of the Plan's net assets.

| | 2012 | 2011 |
|---|---|---|
| Allianz NFJ Dividend Value R | $ 123,345 | $ 111,357 |
| Allianz NFJ Small-Cap Value Fund | 111,416 | 105,502 |
| American Century Vista R | 110,572 | 101,560 |
| Blackrock Equity | - | 91,901 |
| Fidelity Advisor Leveraged Co Stk T | 135,589 | - |
| Invesco Van Kampen GR and IN R | - | 93,982 |
| J P Morgan Prime Money Market Cash Mgmt | 239,356 | - |
| Lord Abbett Bond Debenture R3 | 178,955 | 142,492 |
| PIMCO Real Return Fund | 120,215 | 94,944 |
| Pioneer Emerging Markets Fund | - | 85,236 |
| SEI Stable Asset Fund | - | 280,002 |
| The Hartford Capital Appreciation | 124,892 | 106,578 |
| Thornburg International Value Fund | 108,912 | 95,659 |

## 4. INCOME TAX STATUS

The Internal Revenue Service has determined by a volume submitter letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan document was adopted to meet the requirements of the Pension Protection Act of 2006 and has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## 4. 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, 2012, 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 ending prior to December 31, 2009.

## 5. UNAUDITED INFORMATION CERTIFIED BY THE PLAN CUSTODIAN

The Plan Custodian, The Hartford Life Insurance Company ("The Hartford"), holds the Plan's investment assets and executes transactions therein. The Statements of Net Assets Available for Benefits, the investment activities included on the Statement of Changes in Net Assets Available for Benefits and the accompanying notes to the financial statements were prepared in part or entirely from information certified by the Custodian in accordance with 29 CFR 2520-103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The information certified includes total investments of $2,031,632 at December 31, 2012, and related net appreciation of investments, including interest and dividends, of $213,300.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are interests in pooled separate accounts managed by The Hartford. The Hartford is the Custodian of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to $673 for the year ended December 31, 2012.

## 7. RELATED PARTY TRANSACTIONS

The Plan's trustee is a participant in the Plan.

## 8. 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. In the event of Plan termination, participants will become 100% vested in their accounts.

## 9. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under *Accounting Standards Codification 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;
- inputs that are derived principally for 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.

## 9. FAIR VALUE MEASUREMENTS (CONTINUED)

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 user 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, 2012 and 2011.

*Cash:* Valued at cost, which equals fair value.

*Pooled Separate Accounts (Common Collective Trusts and Registered Investment Companies):* Valued at the NAV of shares, as described in Note 2C, held by the Plan at year end.

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 appropriated 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.

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

**Assets at Fair Value as of December 31, 2012**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Registered investment companies: | | | | |
| Money Market | $ - | $ 239,356 | $ - | $ 239,356 |
| Bond | - | 475,494 | - | 475,494 |
| Asset Allocation/Balanced | - | 102,317 | - | 102,317 |
| Large Cap | - | 526,601 | - | 526,601 |
| Mid Cap | - | 246,250 | - | 246,250 |
| Small Cap | - | 111,416 | - | 111,416 |
| International/Global | - | 291,522 | - | 291,522 |
| Specialty | - | 38,676 | - | 38,676 |
| Total assets at fair value | $ - | $ 2,031,632 | $ - | $ 2,031,632 |

## 9. FAIR VALUE MEASUREMENTS (CONTINUED)

**Assets at Fair Value as of December 31, 2011**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Common and collective trusts | $ - | $ 280,002 | $ - | $ 280,002 |
| Registered investment companies: | | | | |
| Bond | - | 371,971 | - | 371,971 |
| Asset Allocation/Balanced | - | 80,791 | - | 80,791 |
| Large Cap | - | 479,274 | - | 479,274 |
| Mid Cap | - | 114,477 | - | 114,477 |
| Small Cap | - | 105,502 | - | 105,502 |
| International/Global | - | 259,722 | - | 259,722 |
| Specialty | - | 33,305 | - | 33,305 |
| Total assets at fair value | $ - | $ 1,725,044 | $ - | $ 1,725,044 |

## 10. NON-DISCRIMINATION TESTING

The plan failed the ACP/ADP test for the year ended December 31, 2012. As a result of the test, the Plan trustees at the Company approved issuance of refunds of excess contributions. These refunds will be paid to participants during the Plan year ended December 31, 2013.

## 11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 18, 2013, which is the date the financial statements were available to be issued.

## SCHEDULES PROVIDED PURSUANT TO THE DEPARTMENT OF LABOR RULES AND REGULATIONS

# SDI INDUSTRIES, INC.
# PROFIT SHARING AND 401(K) PLAN
# EIN: 95-3310826 PLAN: 002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012

| (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 |
|---|---|---|---|---|
| | JP Morgan | JP Morgan Prime Money Market Cash Mgmt | | $ 239,356 |
| | Lord Abbett | Lord Abbett Bond Debenture Fund | | 178,955 |
| | Fidelity | Fidelity Advisor Leveraged CS Fund | | 135,589 |
| * | The Hartford Life Insurance Company | The Hartford Capital Appreciation | | 124,892 |
| | Allianz | Allianz NFJ Dividend Value Fund | | 123,345 |
| | PIMCO | PIMCO Real Return Fund | | 120,215 |
| | Allianz | Allianz NFJ Small-Cap Value Fund | | 111,416 |
| | Amercian Century | American Century Vista Fund | | 110,572 |
| | Thornberg | Thornburg International Value Fund | | 108,912 |
| | Blackrock | Blackrock Equity Dividend | | 99,120 |
| | Van Kampen | Invesco Van Kampen Growth and Income | | 97,797 |
| | Pioneer | Pioneer Emerging Markets fund | | 95,389 |
| | PIMCO | PIMCO Total Return | | 89,010 |
| | American Funds | American Funds CapWld G&I Fund | | 87,221 |
| | Lord Abbett | Lord Abbett Total Return Fund | | 86,141 |
| | Lord Abbett | Lord Abbett Affiliated Fund | | 81,447 |
| | Blackrock | BlackRock Global Allocation Fund | | 56,275 |
| | T. Rowe Price | T. Rowe Price Retirement 2040 | | 28,536 |
| | Invesco | Invesco Real Estate Fund | | 18,993 |
| | Eaton Vance | Eaton Vance WW Health Services | | 15,788 |
| | T. Rowe Price | T. Rowe Price Retirement 2020 | | 8,183 |
| | American Funds | American Funds American Balanced | | 7,688 |
| | Seligman | Seligman Global Technology Fund | | 3,895 |
| | T. Rowe Price | T. Rowe Price Retirement 2030 | | 1,591 |
| | Templeton | Templeton Global Bond | | 784 |
| | Franklin | Franklin High Income | | 389 |
| | Royce | Royce Value | | 89 |
| | Janus | Janus Balanced | | 44 |
| | Investment totals | | | 2,031,632 |
| | Participant Loans | Interest from 4.25% to 10.25%, maturing through April 2017 | | 47,583 |
| | **TOTAL INVESTMENTS** | | | $ 2,079,215 |

* Party-in-interest

** Column (d) is blank as all investments are participant-directed

See accompanying independant auditor's report
and notes to financial statements

# SDI INDUSTRIES, INC.
# PROFIT SHARING AND 401(K) PLAN

## Financial Statements and
## Independent Auditor's Report

## December 31, 2012

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Financial Statements and Independent Auditor's Report
December 31, 2012

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| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 14 |
| All other schedules required by the Department of Labor are omitted because they are not applicable. | |

KIRSCH KOHN & BRIDGE LLP
Certified Public Accountants and Advisors

## Independent Auditor's Report

Plan Administrator
SDI Industries, Inc. Profit Sharing and 401(k) Plan
Pacoima, California

**Report on the Financial Statements**
We were engaged to audit the accompanying statements of net assets available for benefits (modified cash basis) of SDI Industries, Inc. Profit Sharing and 401(k) Plan (the Plan), as of December 31, 2012 and 2011, the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2012, and supplemental schedule provided pursuant to the Department of Labor rules and regulations.

**Management's Responsibility for the Financial Statements**
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; 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 conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**
As permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974, the Plan trustee instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by The Hartford Life Insurance Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the administrator of the Plan that the Plan custodian holds the Plan's investment assets and executes investment transactions. The administrator of the Plan has obtained a certification from the Plan custodian that the information provided to the administrator of the Plan by the Plan custodian as of and for the year ended December 31, 2012, is complete and accurate.

## Independent Auditor's Report (Continued)

**Disclaimer of Opinion**
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**
We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year), which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Kirsch, Kohn + Bridge LLP

Encino, California
June 18, 2013

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Statements of Net Assets Available for Benefits
(Modified Cash Basis)
December 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| **ASSETS** | | |
| **INVESTMENTS AT FAIR VALUE** | | |
| Value of interest in registered investment companies | $ 2,031,632 | $ 1,445,042 |
| Value of interest in common and collective trusts | - | 280,002 |
| **TOTAL INVESTMENTS** | 2,031,632 | 1,725,044 |
| **RECEIVABLES** | | |
| Notes receivable from participants | 47,583 | 25,797 |
| **TOTAL RECEIVABLES** | 47,583 | 25,797 |
| **TOTAL ASSETS** | 2,079,215 | 1,750,841 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 2,079,215 | $ 1,750,841 |

See accompanying independent auditor's report
and notes to financial statements

**SDI INDUSTRIES, INC.**
**PROFIT SHARING AND 401(K) PLAN**
Statement of Changes in Net Assets Available for Benefits
(Modified Cash Basis)
For the Year Ended December 31, 2012

| | |
|---|---|
| **ADDITIONS** | |
| Additions to net assets attributable to: | |
| Net appreciation in fair value of investments | $ 163,820 |
| Dividend income | 47,394 |
| Interest on notes receivable from participants | 2,086 |
| Contributions: | |
| Employer's contributions | 38,863 |
| Participants' contributions | 272,107 |
| Rollovers | 94,754 |
| Transfer of assets | 10 |
| **TOTAL ADDITIONS** | 619,034 |
| **DEDUCTIONS** | |
| Deductions from net assets attributable to: | |
| Benefits paid to participants | 282,845 |
| Corrective distributions | 7,142 |
| Administrative expenses | 673 |
| **TOTAL DEDUCTIONS** | 290,660 |
| **NET INCREASE** | 328,374 |
| **NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR** | 1,750,841 |
| **END OF THE YEAR** | $ 2,079,215 |

See accompanying independent auditor's report
and notes to financial statements

## 1. DESCRIPTION OF THE PLAN

The following description of the SDI Industries, Inc. ("Company") Profit Sharing and 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### A. General

The Plan is a fully participant-directed defined contribution plan covering all non-union full-time employees of the Company who are immediately eligible to participate in the plan if they so choose. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### B. Contributions

Each year, participants may contribute from 1% to 100% of pretax annual compensation, as defined in the Plan, up to the maximum allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Employer matching and nonelective contributions are discretionary. Participants exercise investment direction over 100% of the assets in all of the accounts under the Plan.

### C. Participant accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may change their investment options daily, using a touch-tone telephone or by Internet access.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### D. Notes receivable from participants

Participants may borrow from their fund accounts up to an amount equal to the lesser of $50,000 or 50% of their vested account balance. Participants requesting new loans may have only one outstanding loan at any one time. Loans made under prior Plan provisions will remain outstanding until repaid in accordance with its terms.

Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes fund. At December 31, 2012, the outstanding participant loans amounted to $47,583, with interest rates of 4.25%.

### E. Vesting

Participants are immediately vested in their contributions. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. The Plan interprets a year of service as a period of continuous employment in which a participant reaches 1,000 hours of service. Under this method, a full-time employee may meet the required hours after six months of continuous service.

A participant's interest attributable to the annual Company contribution plus forfeitures shall vest as follows:

| | |
|---|---|
| 1 Year | 20% |
| 2 Years | 40% |
| 3 Years | 60% |
| 4 Years | 80% |
| 5 Years or more | 100% |

### F. Payment of benefits

Upon termination of service due to death, disability, retirement or other reasons, a participant (or beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum payment.

### G. Administrative expenses

Except to the extent that forfeitures are used to pay Plan expenses and a quarterly fee of $100 which is paid by the Plan sponsor, the expenses of administration of the Plan are paid from and allocated among participants' accounts.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### H. Forfeited accounts

Forfeited accounts are used, at the Company's discretion, for the payment of the Plan's administrative expenses, to the restoration of any participant's forfeited account balance upon reemployment, or to supplement the employer contribution. All expenses of maintaining the Plan not covered by forfeitures are paid by the Company. At December 31, 2012, there were no non-vested forfeitures.

## 2. SUMMARY OF ACCOUNTING POLICIES

### A. Basis of accounting

The financial statements of the Plan are prepared under the modified cash basis method of accounting. This accounting method differs from the accrual method of accounting in that it excludes recognition of dividend and interest income until the cash is actually received. Employer and employee contributions are recorded when received.

### B. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### C. Investment valuation and income recognition

The Plan invests in variable investment offerings through pooled separate accounts, which are unregistered. These pooled separate accounts are divided into investment divisions or sub-accounts, which in turn invest in shares of an underlying mutual fund. Sub-account values are measured in terms of accumulation units ("AU"). The AU of a sub-account are assigned a daily unit value based on that sub-account's net investment factor ("NIF"). The NIF of each sub-account equals the net asset value ("NAV") per share of the underlying fund held in the sub-account at the end of the current valuation day, divided by the NAV per share of the underlying fund held in the sub-account at the end of the prior valuation day, minus any applicable daily mortality and expense risk and administration charges. Purchases and sales of investments are recorded on a trade-date basis.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

## 2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### D. Benefit payments

Benefits are recorded when paid.

### E. Concentration of credit risk

The Plan has exposure to credit risk to the extent that its investments are subject to market fluctuations that may materially affect the value of the investment balances.

## 3. INVESTMENTS

Participants in the Plan may direct employee and employer contributions into, and transfer funds among any of the investment options offered by the Plan.

The following investments represent five percent or more of the Plan's net assets.

| | 2012 | 2011 |
|---|---|---|
| Allianz NFJ Dividend Value R | $ 123,345 | $ 111,357 |
| Allianz NFJ Small-Cap Value Fund | 111,416 | 105,502 |
| American Century Vista R | 110,572 | 101,560 |
| Blackrock Equity | - | 91,901 |
| Fidelity Advisor Leveraged Co Stk T | 135,589 | - |
| Invesco Van Kampen GR and IN R | - | 93,982 |
| J P Morgan Prime Money Market Cash Mgmt | 239,356 | - |
| Lord Abbett Bond Debenture R3 | 178,955 | 142,492 |
| PIMCO Real Return Fund | 120,215 | 94,944 |
| Pioneer Emerging Markets Fund | - | 85,236 |
| SEI Stable Asset Fund | - | 280,002 |
| The Hartford Capital Appreciation | 124,892 | 106,578 |
| Thornburg International Value Fund | 108,912 | 95,659 |

## 4. INCOME TAX STATUS

The Internal Revenue Service has determined by a volume submitter letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan document was adopted to meet the requirements of the Pension Protection Act of 2006 and has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## 4. 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, 2012, 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 ending prior to December 31, 2009.

## 5. UNAUDITED INFORMATION CERTIFIED BY THE PLAN CUSTODIAN

The Plan Custodian, The Hartford Life Insurance Company ("The Hartford"), holds the Plan's investment assets and executes transactions therein. The Statements of Net Assets Available for Benefits, the investment activities included on the Statement of Changes in Net Assets Available for Benefits and the accompanying notes to the financial statements were prepared in part or entirely from information certified by the Custodian in accordance with 29 CFR 2520-103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The information certified includes total investments of $2,031,632 at December 31, 2012, and related net appreciation of investments, including interest and dividends, of $213,300.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are interests in pooled separate accounts managed by The Hartford. The Hartford is the Custodian of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to $673 for the year ended December 31, 2012.

## 7. RELATED PARTY TRANSACTIONS

The Plan's trustee is a participant in the Plan.

## 8. 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. In the event of Plan termination, participants will become 100% vested in their accounts.

## 9. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under *Accounting Standards Codification 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;
- inputs that are derived principally for 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.

## 9. FAIR VALUE MEASUREMENTS (CONTINUED)

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 user 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, 2012 and 2011.

*Cash:* Valued at cost, which equals fair value.

*Pooled Separate Accounts (Common Collective Trusts and Registered Investment Companies):* Valued at the NAV of shares, as described in Note 2C, held by the Plan at year end.

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 appropriated 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.

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

**Assets at Fair Value as of December 31, 2012**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Registered investment companies: | | | | |
| Money Market | $ - | $ 239,356 | $ - | $ 239,356 |
| Bond | - | 475,494 | - | 475,494 |
| Asset Allocation/Balanced | - | 102,317 | - | 102,317 |
| Large Cap | - | 526,601 | - | 526,601 |
| Mid Cap | - | 246,250 | - | 246,250 |
| Small Cap | - | 111,416 | - | 111,416 |
| International/Global | - | 291,522 | - | 291,522 |
| Specialty | - | 38,676 | - | 38,676 |
| Total assets at fair value | $ - | $ 2,031,632 | $ - | $ 2,031,632 |

## 9. FAIR VALUE MEASUREMENTS (CONTINUED)

**Assets at Fair Value as of December 31, 2011**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Common and collective trusts | $ - | $ 280,002 | $ - | $ 280,002 |
| Registered investment companies: | | | | |
| Bond | - | 371,971 | - | 371,971 |
| Asset Allocation/Balanced | - | 80,791 | - | 80,791 |
| Large Cap | - | 479,274 | - | 479,274 |
| Mid Cap | - | 114,477 | - | 114,477 |
| Small Cap | - | 105,502 | - | 105,502 |
| International/Global | - | 259,722 | - | 259,722 |
| Specialty | - | 33,305 | - | 33,305 |
| Total assets at fair value | $ - | $ 1,725,044 | $ - | $ 1,725,044 |

## 10. NON-DISCRIMINATION TESTING

The plan failed the ACP/ADP test for the year ended December 31, 2012. As a result of the test, the Plan trustees at the Company approved issuance of refunds of excess contributions. These refunds will be paid to participants during the Plan year ended December 31, 2013.

## 11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 18, 2013, which is the date the financial statements were available to be issued.

## SCHEDULES PROVIDED PURSUANT TO THE DEPARTMENT OF LABOR RULES AND REGULATIONS

# SDI INDUSTRIES, INC.
# PROFIT SHARING AND 401(K) PLAN
# EIN: 95-3310826 PLAN: 002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012

| (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 |
|---|---|---|---|---|
| | JP Morgan | JP Morgan Prime Money Market Cash Mgmt | | $ 239,356 |
| | Lord Abbett | Lord Abbett Bond Debenture Fund | | 178,955 |
| | Fidelity | Fidelity Advisor Leveraged CS Fund | | 135,589 |
| * | The Hartford Life Insurance Company | The Hartford Capital Appreciation | | 124,892 |
| | Allianz | Allianz NFJ Dividend Value Fund | | 123,345 |
| | PIMCO | PIMCO Real Return Fund | | 120,215 |
| | Allianz | Allianz NFJ Small-Cap Value Fund | | 111,416 |
| | Amercian Century | American Century Vista Fund | | 110,572 |
| | Thornberg | Thornburg International Value Fund | | 108,912 |
| | Blackrock | Blackrock Equity Dividend | | 99,120 |
| | Van Kampen | Invesco Van Kampen Growth and Income | | 97,797 |
| | Pioneer | Pioneer Emerging Markets fund | | 95,389 |
| | PIMCO | PIMCO Total Return | | 89,010 |
| | American Funds | American Funds CapWld G&I Fund | | 87,221 |
| | Lord Abbett | Lord Abbett Total Return Fund | | 86,141 |
| | Lord Abbett | Lord Abbett Affiliated Fund | | 81,447 |
| | Blackrock | BlackRock Global Allocation Fund | | 56,275 |
| | T. Rowe Price | T. Rowe Price Retirement 2040 | | 28,536 |
| | Invesco | Invesco Real Estate Fund | | 18,993 |
| | Eaton Vance | Eaton Vance WW Health Services | | 15,788 |
| | T. Rowe Price | T. Rowe Price Retirement 2020 | | 8,183 |
| | American Funds | American Funds American Balanced | | 7,688 |
| | Seligman | Seligman Global Technology Fund | | 3,895 |
| | T. Rowe Price | T. Rowe Price Retirement 2030 | | 1,591 |
| | Templeton | Templeton Global Bond | | 784 |
| | Franklin | Franklin High Income | | 389 |
| | Royce | Royce Value | | 89 |
| | Janus | Janus Balanced | | 44 |
| | Investment totals | | | 2,031,632 |
| | Participant Loans | Interest from 4.25% to 10.25%, maturing through April 2017 | | 47,583 |
| | **TOTAL INVESTMENTS** | | | $ 2,079,215 |

* Party-in-interest

** Column (d) is blank as all investments are participant-directed

See accompanying independant auditor's report
and notes to financial statements

## *Effective January 1, 2013 - Role of MassMutual*

Massachusetts Mutual Life Insurance Company (together, with its affiliates, "MassMutual") acquired The Hartford's retirement plans business effective January 1, 2013. In connection with the acquisition, The Hartford appointed MassMutual to provide all of administrative services necessary to support your plan's contract. In this role, MassMutual receives all charges, fees and compensation – both direct and indirect – as payable to The Hartford for the services provided to your plan under the packaged retirement services programs. Additionally, MassMutual and its affiliates are responsible for marketing and selling the retirement plan services programs and for paying sales commissions and other compensation to Financial Intermediaries for sales and marketing activities related to the retirement plan services programs.

For Form 5500 Schedule C reporting purposes, all Direct Compensation items (e.g., fees distributed from participant accounts) plus certain Indirect Compensation items (e.g., sales commissions) are reported on a Plan Year basis, and all remaining Indirect Compensation items (e.g., revenue sharing) are reported on a Calendar Year basis. As a result, if your 2012 Plan Year is an off-calendar year Plan Year (e.g., July 1, 2012 - June 30, 2013) certain of your Plan's Schedule C information may list multiple entities as payors or payees of Direct and Indirect Compensation.

Massachusetts Mutual Life Insurance Company: EIN 04-1590850

MassMutual Retirement Services, LLC (formerly Hartford Retirement Services, LLC): EIN 26-1589907

Hartford Life Insurance Company: EIN 06-0974148

Hartford Securities Distribution Company, Inc.: EIN 06-1408044

# Fee and Compensation Disclosure Report

This document is intended to assist a plan administrator ("you") in completing the Form 5500 Schedule C[1] by identifying different types of compensation paid with respect to the Hartford product utilized by your plan.

As permitted under the Schedule C rules, compensation is disclosed in the attached report as an actual dollar amount, an estimate or a formula or rate.

- Where an actual dollar amount of compensation is disclosed, no further notation regarding compensation calculations is generally provided.
- Where an estimate of the compensation amount is disclosed, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount.
- Where a formula or rate is provided to report compensation, we have used a reasonable method to arrive at the estimate and we have described the method used to arrive at the estimated amount. This formula or rate may be disclosed to describe the compensation to which it applies under the Schedule C rules. Alternatively, for purposes of Schedule C disclosure or in connection with your fiduciary review of the compensation paid with respect to the services, products and investment options utilized by the plan, you may calculate and disclose an actual or estimated dollar amount by multiplying the rate by the total assets to which it applies.

**Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2012 - 12/31/2012 and indirect compensation is presented on a calendar year basis ending 12/31/2012.**

This report includes compensation actually paid to or by the Hartford within the indicated plan year as part of your Hartford product. *(Note: If the plan year period or plan year end indicated in this Schedule C reporting package is incorrect, please notify your Hartford customer service representative immediately).* This report does not include amounts deducted from plan assets and paid to third parties (other than Hartford). In addition, the report does not include compensation related to investments held by the plan that are not serviced on our recordkeeping system. You should contact your other service providers for reportable compensation information. You may also receive information on the compensation reported here from other service providers as is described below.

Please note that we have provided suggested service codes with respect to services provided through our Hartford product. Please review all Schedule C and other Form 5500 materials with your experienced benefits counsel and other professionals to determine the most appropriate codes for your plan. In addition, please note that because plans with fewer than 100 participants (as of the beginning of the plan year) are generally not required to file Schedule C, you should refer to the instructions provided by the IRS for Schedule C and/or review the applicability of Schedule C to your plan with your experienced tax/benefits counsel, to determine whether it is necessary for the plan to report the information contemplated by this report.

**Please contact your Hartford Service Team should you require additional information regarding the compensation paid to or by Hartford with respect to your plan.**

*********

**Information provided in this document and related materials we provide are not intended to be and shall not be deemed tax advice, tax form preparation services, legal advice, advice to plans regarding compliance with ERISA reporting compliance, or accounting or other professional services. As described above, the information contained in this report may not cover all of the compensation received by the plan's service providers. We strongly encourage you to review all Schedule C and other Form 5500 materials with experienced benefits counsel and other professionals.**

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[1] Please refer to the Schedule C of the Form 5500 and its instructions (available at: http://www.dol.gov/ebsa/5500main.html), and please confer with experienced benefits counsel and other professionals, to determine the applicability of Schedule C to your plan.

# FORM 5500 SCHEDULE C REPORT
# SCHEDULE C, LINE 2(h) AND LINE 3(e) FORMULA DESCRIPTION

## SDI INDUSTRIES, INC. PS & 401K PLAN (711678)
## EIN #: 95-3310826

***Please note that, unless otherwise indicated in the descriptions contained in this report, direct compensation is presented on a plan year basis 01/01/2012 - 12/31/2012 and indirect compensation is presented on a calendar year basis ending 12/31/2012.***

***For use with lines 2(h), 3(c), 3(d), 3(e)***

***Total Direct Compensation Paid*** **$673.00**

The total amount identified above reflects all fees deducted from plan assets at the plan administrator's direction for the plan year. Service providers which have received portions of these direct fees are listed below, along with the amount of fees they received. Please note that if there is a discrepancy between the total direct fees reported above and the sum of the direct fees reported below, you should contact your other service providers or your plan records to identify the recipient(s) of the fees and any other information relevant to your Schedule C filing.

***Recipient: Hartford Life Insurance Company EIN: 06-0974148***

**Service Codes: 15, 23, 37, 38, 54, 55, 59, 60, 62, 63, 64, 65, 66, 99, 50 (if direct compensation amount reflected below)**

*Direct Compensation* **$673.00**

The total amount identified above reflects fees deducted from plan assets at the plan administrator's direction for the 2012 plan year for the above named recipient. Please review other service providers, below, to determine whether direct fees were also paid to them. Also, please review your records to determine whether other service providers may have received any compensation not reported below (e.g., a reimbursement paid to any plan fiduciary, your employee benefits counsel, or a plan auditor).

Note: Due to system accounting protocols (including 'cash basis' accounting), amounts reported as Direct Compensation and amounts reported as paid to Hartford Life Insurance Company are the net result of aggregating direct compensation after the effects of adjustments processed in 2012, some of which may have pertained to prior years.

Please review the detailed breakdown at the end of the report for further information.

*Indirect Compensation*

**Float compensation** **$10.12**

Bank accounts and investments associated with short-term investment pool, 200 Hopmeadow Road, Simsbury, CT 06089

This is an estimate based on the annual average rate of float (0.1285% for 2012) earned on the bank accounts and investments associated with the short-term investment pool for the 2012 calendar year multiplied by an estimate of the assets related to uncashed checks.* This estimate does not include float earned for any other reason (e.g., if amounts remitted to The Hartford cannot be immediately invested because they are not in good order). Please review or request a copy of the current float disclosure for more information about the other circumstances in which float is earned.

* A complete listing of distribution checks that remain outstanding for your plan is available on the Retirement Plan Access web site under the Standard Reports section (Report R03998-Outstanding Distribution Checks). Uncashed check assets will continue to remain in a float-earning bank account until such time direction is received from the Plan Sponsor. The Plan Sponsor should consult with their tax advisor or benefits counsel to determine if assets attributable to uncashed checks should be included on the Form 5500 filing.

**Non Monetary Compensation**

Please note that items of nonmonetary compensation need to be reported for Schedule A or C (Form 5500) purposes if they exceed certain *de minimus* amounts. Transactions generating nonmonetary compensation may include gifts, gratuities, or certain types of in-kind benefits. Hartford's Code of Ethics and Business Conduct generally restricts Hartford employees from giving to or receiving gifts from customers and/or business partners having a value of over $100, in any individual situation, without prior approval. However, it is possible that one or more of your service providers for the calendar year, including Hartford, engaged in transactions generating nonmonetary compensation. Information concerning reportable transactions undertaken between or among non-Hartford parties may not be available to The Hartford.

Please consult with your legal or tax advisors if you have any questions.

**Compensation paid with respect to Funds**

| *Investment Option Name* | *EIN* | *Revenue Sharing Rate (%) Paid to The Hartford (rates as of 12/31/2012)* | *Underlying Fund Gross Expense Ratio as of the Fund's Year End*[*] |
|---|---|---|---|
| ALLIANZGI NFJ DIVIDEND VALUE R | 33-0457728 | 0.75% x assets | 1.31% |
| ALLIANZGI NFJ SM-CAP VALUE R | 33-0457728 | 0.75% x assets | 1.46% |
| AMERICAN CENTURY VISTA R | 44-6006315 | 0.85% x assets | 1.53% |
| AMERICAN FUNDS AMERICAN BAL R1 | 94-6050854 | 1.10% x assets | 1.40% |
| AMERICAN FUNDS CP WLD GR INC-R1 | 95-1411037 | 1.10% x assets | 1.56% |
| BLACKROCK EQUITY DIVIDEND R | 13-3806694 | 0.80% x assets | 1.32% |
| BLACKROCK GLOBAL ALLOCATION R | 22-2937779 | 0.80% x assets | 1.49% |
| COL SELI GLOBAL TECHNOLOGY R | 13-3586464 | 0.75% x assets | 1.71% |
| EATON VANCE WORLDWIDE HLTH SCI R | 04-2325690 | 0.80% x assets | 1.66% |
| FIDELITY ADVISOR LEVRGD CO STK T | 04-3335387 | 0.60% x assets | 1.35% |
| FRANKLIN HIGH INCOME R | 94-1693697 | 0.60% x assets plus $12/participant | 1.13% |
| INVESCO GROWTH AND INCOME R | 76-0343427 | 0.80% x assets | 1.09% |
| INVESCO REAL ESTATE R | 76-0343427 | 0.85% x assets | 1.55% |
| JANUS BALANCED R | 84-0592523 | 0.75% x assets | 1.34% |
| JPMORGAN PRIME MONEY MKT CASHMGT | 33-1043149 | 0.001% x assets | 0.96% |
| LORD ABBETT AFFILIATED R3 | 13-6020600 | 0.75% x assets | 0.99% |
| LORD ABBETT BOND DEBENTURE R3 | 13-2669319 | 0.75% x assets | 1.12% |
| LORD ABBETT TOTAL RETURN R3 | 13-3731507 | 0.75% x assets | 1.13% |
| PIMCO REAL RETURN R | 33-0629048 | 0.65% x assets | 1.12% |
| PIMCO TOTAL RETURN R | 33-0629048 | 0.65% x assets | 1.10% |
| PIONEER EMERGING MARKETS R | 04-3233999 | 0.80% x assets | 2.28% |
| ROYCE VALUE R | 13-3139046 | 0.75% x assets | 1.68% |
| SEI STABLE ASSET 19 | 23-2177800 | 1.00% x assets | 1.32% |
| T. ROWE PRICE RETIRE 2020 R | 52-1151266 | 0.65% x assets | 1.20% |
| T. ROWE PRICE RETIRE 2030 R | 52-1151266 | 0.65% x assets | 1.25% |
| T. ROWE PRICE RETIRE 2040 R | 52-1151266 | 0.65% x assets | 1.28% |
| TEMPLETON GLOBAL BOND R | 59-6865210 | 0.60% x assets plus $12/participant | 1.16% |
| THE HARTFORD CAP APPRECIATION R4 | 22-2937447 | 0.65% x assets | 1.10% |
| THORNBURG INTERNATIONAL VALUE R3 | 06-1158764 | 0.75% x assets | 1.58% |

Under the variable investment options available through your plan's group annuity contract or funding agreement, contract values are invested in Hartford Life Insurance Company separate accounts that, in turn, invest in underlying registered investment companies (i.e., mutual funds) and collective investment funds.

The list includes any investment option held by the plan on at least one month end during the 2012 calendar year. To arrive at an estimate of the dollar amount that Hartford received from each investment option, multiply the rate of fees received from each investment option by your plan's year-end balance (or if the investment option was liquidated prior to year end, the balance on the liquidation date) and, if applicable, the per participant fee by the number of participants in the investment option at year end (or the liquidation date if earlier). This will be an estimate because your plan's balance and number of participants will vary over the course of the year, so the year-end balance and number of participants may be higher or lower than the daily balance. In addition, these fees are calculated on a daily basis.

* This amount is the sum of the fund's distribution, management and other fees, which are also identified in the fund's prospectus. Please note that, for 2012, affiliates of Hartford Life Insurance Company act as advisor to the Hartford funds. Such affiliates are identified in the fund's prospectus and receive management fees in the following amounts:

| | |
|---|---|
| Hartford Capital Appreciation R4 | 0.65% x assets |

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## *Recipient: UBS FINANCIAL SVCS INS AGCY EIN: 51-0120742*

**Service Codes:**

Please contact your Service Provider for the list of applicable services performed and Service Codes.

### *Direct Compensation* **$0.00**

Our records indicate that this recipient did not receive any Direct Compensation. Please review your records to determine whether this service provider may have received any compensation not reported.

### *Indirect Compensation*

| | | | |
|---|---|---|---|
| * **Sales commission** | Payor: Hartford Life Insurance Company | EIN: 06-0974148 | **$6,354.18** |

* *Sales Commissions are reported on a Plan Year basis.*

**Non Monetary Compensation**

Please note that items of nonmonetary compensation need to be reported for Schedule A or C (Form 5500) purposes if they exceed certain *de minimus* amounts. Transactions generating nonmonetary compensation may include gifts, gratuities, or certain types of in-kind benefits. Hartford's Code of Ethics and Business Conduct generally restricts Hartford employees from giving to or receiving gifts from customers and/or business partners having a value of over $100, in any individual situation, without prior approval. However, it is possible that one or more of your service providers for the 2012 calendar year, including Hartford, engaged in transactions generating nonmonetary compensation. Information concerning reportable transactions undertaken between or among non-Hartford parties may not be available to The Hartford.

Please consult with your legal or tax advisors if you have any questions.

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## *Recipient: Morningstar Associates, LLC EIN: 36-4317381*

**Service Code: 49**

### *Indirect Compensation*

| | | | |
|---|---|---|---|
| **"Managed by You" services fee** | Payor: Hartford Life Insurance Company | EIN: 06-0974148 | **$18.61** |

This is an estimate determined by dividing a flat annual fee paid to Morningstar by the number of plans to whom this feature is made available.

## *Recipient: Reliance Trust Company EIN: 58-1428634*

*Indirect Compensation*

**Trust service fee (if Reliance Trust Company is acting as directed trustee)** **$400.00**
**Service Codes: 25, 99**

Payors: Hartford Life Insurance Company EIN: 06-0974148
Hartford Retirement Services, LLC EIN: 26-1589907

## *Recipient: Mesirow Financial Investment Management, Inc. EIN: 36-3429599*

*Indirect Compensation*

**Annual fee and basis point fee for Mesirow plan fiduciary service** **$25.30**
**Service code: 27**

Payor: Hartford Life Insurance Company EIN: 06-0974148

This is an estimate based on the annual flat fee plus the basis point fee paid to Mesirow divided by the number of plans using this feature.

In addition to the indirect compensation noted above, we pay Mesirow Financial an additional asset-based fee for Fiduciary Assure services. This fee is computed using a tiered scale based on total assets under the program where the assets are multiplied by annualized rates ranging from 2.50 basis points down to 0.9 basis points.

**Annual platform package fee ("Model My Goals")** **$20.51**
**Service code: 49**

Payor: Hartford Life Insurance Company EIN: 06-0974148

This is an estimate based on the annual platform package fee paid to Mesirow divided by the number of plans using this feature.

# Direct Revenue Detail

**Recipient:** ***Hartford Life Insurance Company***

| **Fee Description** | **Dollar Amount** |
|---|---|
| Loan Set-up Fee | $250.00 |
| One-Time Distribution Fee | $275.00 |
| Loan Administration Fee | $148.00 |
| **Total Direct Revenue:** | **$673.00** |
| **Grand Total Direct Fees:** | **$673.00** |