# 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
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

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

**1a** Name of plan
KLEIN FOODS, INC. 401(K) PLAN

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

**1c** Effective date of plan 08/01/1990

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

KLEIN FOODS, INC.
DBA RODNEY STRONG WINE ESTATES

11455 OLD REDWOOD HIGHWAY
HEALDSBURG, CA 95448

**2b** Employer Identification Number (EIN)
68-0171812

**2c** Sponsor's telephone number
707-433-6511

**2d** Business code (see instructions)
312130

**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. | 07/26/2013 | TOBIN GINTER |
| | **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** | 285 |
| **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** | 310 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 4 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 314 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 314 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 135 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **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:
3D 2E 2F 2G 2J 2K 2T

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

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

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **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) ▶ |
|---|---|
| KLEIN FOODS, INC. 401(K) PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| KLEIN FOODS, INC. | 68-0171812 |

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

OAKMARK

04-3276558

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

PIMCO FUNDS

95-2632339

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

AMERICAN CENTURY INVESTMENTS

44-6006315

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

AMERICAN FUNDS

95-1411037

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

DREYFUS

13-5673135

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

GOLDMAN SACHS

13-5108880

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

OPPENHEIMER FUNDS

13-2527171

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

T. ROWE PRICE

52-2264646

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

VIRTUS

95-4191764

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

VANGUARD

23-1945930

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

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

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

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

WELLS FARGO BANK, N.A.

94-1347393

| (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 49 50 52 62 64 | SERVICE PROVIDER | 40548 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

WELLS FARGO ADVISORS, LLC

34-1542819

| (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 52 | NONE | 13624 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

(complete as many entries as needed)

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

# SCHEDULE 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
KLEIN FOODS, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
68-0171812

**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: WELLS FARGO STABLE RETURN FUND N6

**b** Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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) |
|---|---|---|
| 52-2251407-001 | C | 1996118 |

**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
KLEIN FOODS, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
68-0171812

## 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 | 111 | 2079 |
| **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) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 225358 | 276818 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 2048397 | 1996118 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 4740880 | 6228766 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 7014746 | 8503781 |
| | **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 | 7014746 | 8503781 |

## 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) | 274919 | |
| | **(B)** Participants | 2a(1)(B) | 620869 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 895788 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 10457 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 10457 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 181999 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 181999 |
| | **(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) | | |
| | **(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) | | 27159 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 583695 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1699098 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 151172 | |
| (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) | | 151172 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 58891 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 58891 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 210063 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 1489035 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: MOSS ADAMS, LLP **(2)** EIN: 91-0189318

**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 | | X | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **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
KLEIN FOODS, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
68-0171812

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

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

EIN(s): 41-6257133

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete 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

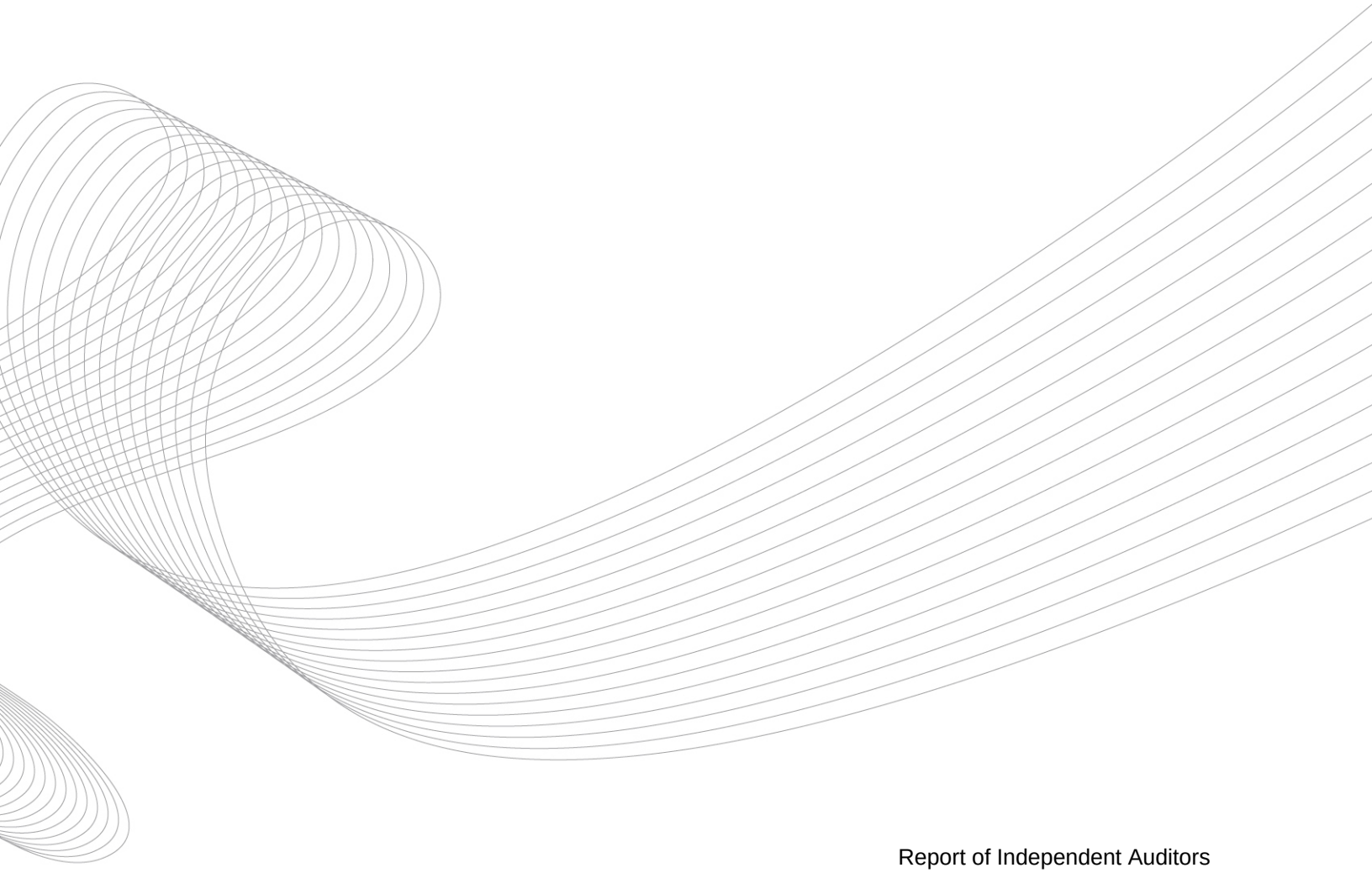
**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding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



Report of Independent Auditors
and Financial Statements
with Supplemental Schedule

# Klein Foods, Inc. 401(k) Plan

December 31, 2012 and 2011

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee
## Klein Foods, Inc. 401(k) Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying statements of the Klein Foods, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters 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's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

***Disclaimer of Opinion***

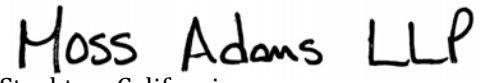
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The Schedule H, line 4(i) – Schedule of assets (held at end of year) as of year ended December 31, 2012, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplementary schedule.

***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 supplementary 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 DOL's Rules and Regulations for Reporting for Reporting and Disclosure under ERISA.




Stockton, California
July 17, 2013

# KLEIN FOODS, INC. 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | DECEMBER 31, 2012 | DECEMBER 31, 2011 |
|---|---|---|
| ASSETS | | |
| INVESTMENTS AT FAIR VALUE | | |
| Mutual funds | $ 6,228,766 | $ 4,740,880 |
| Common/collective trust | 2,054,037 | 2,100,894 |
| | 8,282,803 | 6,841,774 |
| NOTES RECEIVABLE FROM PARTICIPANTS | 276,818 | 225,358 |
| CASH | 2,079 | 111 |
| NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE | 8,561,700 | 7,067,243 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (57,919) | (52,497) |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 8,503,781 | $ 7,014,746 |


*See accompanying notes*

| | YEAR ENDED DECEMBER 31, 2012 |
|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO | |
| Investment income | |
| Net appreciation in fair value of investments | $ 610,854 |
| Dividends | 181,999 |
| | 792,853 |
| Interest income on notes receivable from participants | 10,457 |
| Contributions | |
| Employer | 274,919 |
| Participants | 620,869 |
| | 895,788 |
| Total additions | 1,699,098 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO | |
| Benefits paid to participants | 151,172 |
| Administrative expenses | 58,891 |
| Total deductions | 210,063 |
| CHANGE IN NET ASSETS | 1,489,035 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of year | 7,014,746 |
| End of year | $ 8,503,781 |

**NOTE 1 – PLAN DESCRIPTION**

The following description of the Klein Foods, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement and benefit plan documents for a more complete description of the Plan and its provisions.

**General** – The Plan is a defined contribution profit sharing plan available to all employees of Klein Foods, Inc. (the Employer or the Company). The Employer appoints an administrative committee to manage and administer the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Eligibility** – Employees who are at least 18 years of age are eligible to participate on the first of the month following the first 90 days of service.

**Contributions** – Participants may contribute up to 100% of their total regular earnings, up to the limit established by the Internal Revenue Code. Participants are also eligible to make after tax contributions to a Roth IRA account. The Employer matching contributions equal 100% of each participant's contributions up to a maximum of 3% of the participant's eligible compensation, plus 50% of the participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's eligible compensation for the Plan year. The Employer matching contribution was $274,919 for the year ended December 31, 2012. Employees are always 100% vested in their deferral contributions and Employer matching contributions.

The Company may make discretionary profit sharing contributions. Employees are 100% vested in discretionary profit sharing contributions at the time of the contribution. The Employer made no profit sharing contribution for the year ended December 31, 2012.

**Participant accounts** – The Plan provides for participant-directed accounts in which the participants may invest in one or more of the mutual funds or other investment options offered under the Plan.

In addition to the participant's salary deferrals, employer matching contributions and the allocation of employer discretionary contributions, if any, are credited to each participant's account. Each participant's account is credited with earnings and gains and losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Notes receivable from participants** – Participants may borrow from their fund account a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Loan terms range from one to five years or above five years in limited circumstances. Interest rates are based on prime rate plus 1% at the time the loan is made, and will remain fixed for the duration of the loan. Principal and interest is paid ratably through bi-weekly payroll deductions. The loans have maturities through 2027, interest rates are from 4.25% to 6.00%, and are collateralized by the participant's account balance.

**NOTE 1 – PLAN DESCRIPTION (CONTINUED)**

**Payments of benefits** – On termination of service due to death, disability, or retirement, a participant will receive payments in a lump-sum distribution. Distributions may be made at 59½ years of age while the participant is still employed by the Employer. Participant distributions may also be made as a hardship withdrawal at any age for specific and limited reasons while still employed by the Employer, or after leaving the employment of the Employer for any reason.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual method of accounting.

**Use of estimates** – In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**Recent accounting pronouncements** – In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 requires disclosure of valuation techniques for Level 2 and Level 3 measurements and for Level 3 measurements requires disclosure of valuation processes used by the reporting entity and quantitative information about significant unobservable inputs. ASU No. 2011-04 removes the requirement for nonpublic companies to disclose information about transfers between Level 1 and Level 2 of the fair value hierarchy. The Plan adopted this guidance on January 1, 2012.

**Investment valuation** – The investments are stated at fair value. The Plan's trustee, Wells Fargo Bank, certifies the contract value of the stable value fund and the fair market value of all other investments. If available, quoted market prices are used to value investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income recognition** – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation in those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents the unpaid principal balance plus accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan document.

**Expenses** – Administrative expenses related to operating and maintaining the Plan are paid by the Company. Certain investment and transaction fees are paid by participants in the Plan.

**Payment of benefits** – Benefits are recorded when paid.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date, but before financial statements are issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before financial statements are issued.

The Plan has evaluated subsequent events through July 17, 2013, which is the date the financial statements were available to be issued.

**NOTE 3 – INVESTMENTS**

The following presents the fair value of investments representing 5% or more of the Plan's net assets.

| | DECEMBER 31, | |
|---|---|---|
| | 2012 | 2011 |
| Wells Fargo Stable Return Fund N6 [1] | $ 1,996,118 | $ 2,048,397 |
| American Funds Growth Fund of America Fund | N/A | 630,619 |
| PIMCO Total Return – A | 891,540 | 709,097 |
| Wells Fargo Adv Dow Jones TGT 2020 ADM [2] | 431,072 | 303,659 |
| Wells Fargo Adv Omega Growth | 949,006 | N/A |
| T. Rowe Price Personal Strategy Growth Fund [3] | 401,304 | 453,896 |
| American Eropac Growth GL R 4 SHS [3] | 390,447 | 358,063 |
| Goldman Sachs Mid Cap Value Instl | 745,275 | 609,540 |
| Wells Fargo Small Cap Value Fund ADM Class | 426,081 | N/A |
| Oakmark Equity and Income 1 [2] | 428,900 | 321,796 |

[1] Contract value has been presented for the investment, as it is the relevant measurement for financial statement purposes

[2] Investment represents 5% or more of the Plan net assets at December 31, 2012

[3] Investment represents 5% or more of the Plan net assets at December 31, 2011

N/A – Investment did not represent 5% or more of the Plan net assets

**NOTE 4 – FAIR VALUE MEASUREMENTS**

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

The three levels of the fair value hierarchy are described as follows:

**Basis of Fair Value Measurement**

**Level 1 –** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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

**Level 3 –** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

**Registered investment companies (mutual funds)** – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (NAV) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

**Stable value fund** – The Wells Fargo Stable Return Fund N6 (the Fund) is designed to provide preservation of capital and returns that are consistent regardless of stock and bond market volatility. The Fund seeks to earn a high level of income consistent with those objectives. The Fund holds guaranteed investment contracts that typically have a fixed maturity. Each contract contains a provision that the issuer will, if required, repay principal at the stated contract value for the purpose of paying benefit payments (fully benefit responsive).

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

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

| | Investment Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,614,713 | $ - | $ - | $ 1,614,713 |
| Value funds | 1,771,238 | - | - | 1,771,238 |
| Index funds | 1,951,275 | - | - | 1,951,275 |
| Fixed income funds | 891,540 | - | - | 891,540 |
| Common collective trust | | | | |
| Stable value funds | - | 2,054,037 | - | 2,054,037 |
| Total assets and fair value | $ 6,228,766 | $ 2,054,037 | $ - | $ 8,282,803 |

| | Investment Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,843,161 | $ - | $ - | $ 1,843,161 |
| Value funds | 1,393,924 | - | - | 1,393,924 |
| Balanced funds | 794,698 | - | - | 794,698 |
| Index funds | 709,097 | - | - | 709,097 |
| Fixed income funds | - | - | - | - |
| Common collective trust | | | | |
| Stable value funds | - | 2,100,894 | - | 2,100,894 |
| Total assets and fair value | $ 4,740,880 | $ 2,100,894 | $ - | $ 6,841,774 |

**NOTE 5 – TAX STATUS**

The Plan document is a prototype standardized defined contribution plan that received a favorable opinion letter from the Internal Revenue Service on March 31, 2008, which stated that the Plan, as then designed, was in accordance with applicable sections of the Internal Revenue Code (IRC).

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax positions and does not believe the Plan has uncertain tax positions that require disclosure or adjustment to the financial statements.

**NOTE 6 – PARTY-IN-INTEREST TRANSACTIONS**

The Plan holds investments in shares of mutual funds managed by groups affiliated with the trustee; therefore, these investment transactions are party-in-interest transactions.

**NOTE 7 – CERTIFIED INFORMATION**

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, the trustee of the Plan, has certified the completeness and accuracy of:

- Investments reflected on the accompanying statements of net assets available for benefits consisting of the following:

| | DECEMBER 31, | |
|---|---|---|
| | 2012 | 2011 |
| Mutual funds | $ 6,228,766 | $ 4,740,880 |
| Common/collective trust (at contract value) | 1,996,118 | 2,048,397 |

- Net appreciation in fair value of investments, dividends, and interest reflected on the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2012.

- Investments reflected on the supplemental schedule of assets (held at end of year) other than participant loans.

**NOTE 8 – RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near term could materially affect a participant's account balance and the amounts reported in the financial statements.

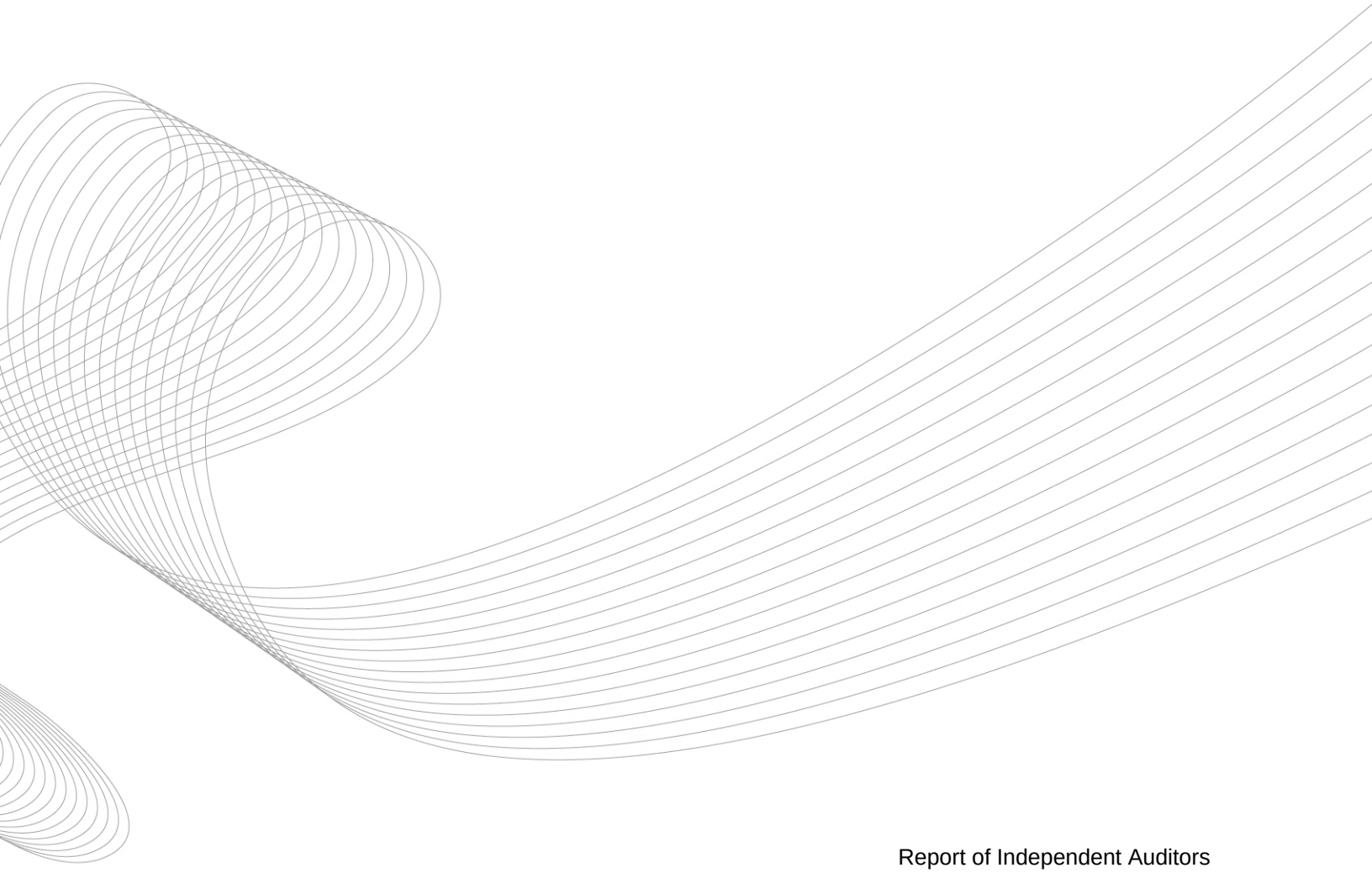
**NOTE 9 – PLAN TERMINATION**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, amounts allocated to a participant's account become fully vested.

**SUPPLEMENTAL SCHEDULE**
**REQUIRED BY THE DEPARTMENT OF LABOR**

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par, or Maturing Value | (e) Current Value |
|---|---|---|---|
| | **Cash** | | |
| * | Wells Fargo Bank | Cash | $ 2,079 |
| | **Common/collective trust** | | |
| * | Wells Fargo Bank | Wells Fargo Stable Return Fund N6 ** | 1,996,118 |
| | **Mutual funds** | | |
| * | Wells Fargo Bank | PIMCO Total Return – A | 891,540 |
| | Wells Fargo Bank | Vanguard Fixed Inc Secs GNMA | 255 |
| * | Wells Fargo Bank | Goldman Sacs Growth Opportunities 1 | 382,145 |
| * | Wells Fargo Bank | Oppenheimer Developing Markets Y | 342,960 |
| * | Wells Fargo Bank | T. Rowe Price Personal Strategy Growth Fund | 401,304 |
| * | Wells Fargo Bank | Virtus Real Estate Securitas A | 97,601 |
| * | Wells Fargo Bank | American Eropac Growth CL R 4 SHS | 390,447 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2010 ADM | 49,626 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2020 ADM | 431,072 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2030 ADM | 217,523 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2040 ADM | 51,909 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2050 ADM | 17,408 |
| * | Wells Fargo Bank | Wells Fargo Dow Jones TGT Today ADM | 44,207 |
| | Wells Fargo Bank | Wells Fargo Index Fund-Admin | 144,842 |
| | Wells Fargo Bank | Wells Fargo Adv Omega Growth | 949,006 |
| * | Wells Fargo Bank | Dreyfus S&P Midcap Index Fund | 45,683 |
| * | Wells Fargo Bank | American Century Equity Income Inv | 170,982 |
| * | Wells Fargo Bank | Goldman Sachs Mid Cap Value Instl | 745,275 |
| * | Wells Fargo Bank | Wells Fargo Small Cap Value Fund ADM Class | 426,081 |
| * | Wells Fargo Bank | Oakmark Equity and Income 1 | 428,900 |
| | | Total mutual funds | 6,228,766 |
| | **Participant Loans** | | |
| * | Loans to participants | Loans to participants, maturities through 2027, 4.25%–6.00%, collateralized by the participant's account balance | 276,818 |
| | Total investments | | $ 8,503,781 |

Column (d) Cost is not required to be presented
* Represents a party-in-interest
** Shown at contract value



Report of Independent Auditors
and Financial Statements
with Supplemental Schedule

# Klein Foods, Inc. 401(k) Plan

December 31, 2012 and 2011

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee
## Klein Foods, Inc. 401(k) Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying statements of the Klein Foods, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters 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's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

***Disclaimer of Opinion***

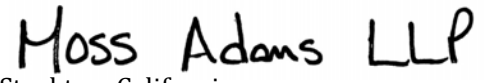
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The Schedule H, line 4(i) – Schedule of assets (held at end of year) as of year ended December 31, 2012, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplementary schedule.

***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 supplementary 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 DOL's Rules and Regulations for Reporting for Reporting and Disclosure under ERISA.




Stockton, California
July 17, 2013

# KLEIN FOODS, INC. 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | DECEMBER 31, 2012 | DECEMBER 31, 2011 |
|---|---|---|
| ASSETS | | |
| INVESTMENTS AT FAIR VALUE | | |
| Mutual funds | $ 6,228,766 | $ 4,740,880 |
| Common/collective trust | 2,054,037 | 2,100,894 |
| | 8,282,803 | 6,841,774 |
| NOTES RECEIVABLE FROM PARTICIPANTS | 276,818 | 225,358 |
| CASH | 2,079 | 111 |
| NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE | 8,561,700 | 7,067,243 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (57,919) | (52,497) |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 8,503,781 | $ 7,014,746 |


*See accompanying notes*

| | YEAR ENDED DECEMBER 31, 2012 |
|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO | |
| Investment income | |
| Net appreciation in fair value of investments | $ 610,854 |
| Dividends | 181,999 |
| | 792,853 |
| Interest income on notes receivable from participants | 10,457 |
| Contributions | |
| Employer | 274,919 |
| Participants | 620,869 |
| | 895,788 |
| Total additions | 1,699,098 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO | |
| Benefits paid to participants | 151,172 |
| Administrative expenses | 58,891 |
| Total deductions | 210,063 |
| CHANGE IN NET ASSETS | 1,489,035 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of year | 7,014,746 |
| End of year | $ 8,503,781 |

**NOTE 1 – PLAN DESCRIPTION**

The following description of the Klein Foods, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement and benefit plan documents for a more complete description of the Plan and its provisions.

**General** – The Plan is a defined contribution profit sharing plan available to all employees of Klein Foods, Inc. (the Employer or the Company). The Employer appoints an administrative committee to manage and administer the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Eligibility** – Employees who are at least 18 years of age are eligible to participate on the first of the month following the first 90 days of service.

**Contributions** – Participants may contribute up to 100% of their total regular earnings, up to the limit established by the Internal Revenue Code. Participants are also eligible to make after tax contributions to a Roth IRA account. The Employer matching contributions equal 100% of each participant's contributions up to a maximum of 3% of the participant's eligible compensation, plus 50% of the participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's eligible compensation for the Plan year. The Employer matching contribution was $274,919 for the year ended December 31, 2012. Employees are always 100% vested in their deferral contributions and Employer matching contributions.

The Company may make discretionary profit sharing contributions. Employees are 100% vested in discretionary profit sharing contributions at the time of the contribution. The Employer made no profit sharing contribution for the year ended December 31, 2012.

**Participant accounts** – The Plan provides for participant-directed accounts in which the participants may invest in one or more of the mutual funds or other investment options offered under the Plan.

In addition to the participant's salary deferrals, employer matching contributions and the allocation of employer discretionary contributions, if any, are credited to each participant's account. Each participant's account is credited with earnings and gains and losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Notes receivable from participants** – Participants may borrow from their fund account a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Loan terms range from one to five years or above five years in limited circumstances. Interest rates are based on prime rate plus 1% at the time the loan is made, and will remain fixed for the duration of the loan. Principal and interest is paid ratably through bi-weekly payroll deductions. The loans have maturities through 2027, interest rates are from 4.25% to 6.00%, and are collateralized by the participant's account balance.

**NOTE 1 – PLAN DESCRIPTION (CONTINUED)**

**Payments of benefits** – On termination of service due to death, disability, or retirement, a participant will receive payments in a lump-sum distribution. Distributions may be made at 59½ years of age while the participant is still employed by the Employer. Participant distributions may also be made as a hardship withdrawal at any age for specific and limited reasons while still employed by the Employer, or after leaving the employment of the Employer for any reason.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual method of accounting.

**Use of estimates** – In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**Recent accounting pronouncements** – In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 requires disclosure of valuation techniques for Level 2 and Level 3 measurements and for Level 3 measurements requires disclosure of valuation processes used by the reporting entity and quantitative information about significant unobservable inputs. ASU No. 2011-04 removes the requirement for nonpublic companies to disclose information about transfers between Level 1 and Level 2 of the fair value hierarchy. The Plan adopted this guidance on January 1, 2012.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income recognition** – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation in those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents the unpaid principal balance plus accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan document.

**Expenses** – Administrative expenses related to operating and maintaining the Plan are paid by the Company. Certain investment and transaction fees are paid by participants in the Plan.

**Payment of benefits** – Benefits are recorded when paid.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date, but before financial statements are issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before financial statements are issued.

The Plan has evaluated subsequent events through July 17, 2013, which is the date the financial statements were available to be issued.

**NOTE 3 – INVESTMENTS**

The following presents the fair value of investments representing 5% or more of the Plan's net assets.

| | DECEMBER 31, | |
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| Wells Fargo Adv Omega Growth | 949,006 | N/A |
| T. Rowe Price Personal Strategy Growth Fund [3] | 401,304 | 453,896 |
| American Eropac Growth GL R 4 SHS [3] | 390,447 | 358,063 |
| Goldman Sachs Mid Cap Value Instl | 745,275 | 609,540 |
| Wells Fargo Small Cap Value Fund ADM Class | 426,081 | N/A |
| Oakmark Equity and Income 1 [2] | 428,900 | 321,796 |

[1] Contract value has been presented for the investment, as it is the relevant measurement for financial statement purposes

[2] Investment represents 5% or more of the Plan net assets at December 31, 2012

[3] Investment represents 5% or more of the Plan net assets at December 31, 2011

N/A – Investment did not represent 5% or more of the Plan net assets

**NOTE 4 – FAIR VALUE MEASUREMENTS**

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

The three levels of the fair value hierarchy are described as follows:

**Basis of Fair Value Measurement**

**Level 1 –** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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

**Level 3 –** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

**Registered investment companies (mutual funds)** – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (NAV) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

**Stable value fund** – The Wells Fargo Stable Return Fund N6 (the Fund) is designed to provide preservation of capital and returns that are consistent regardless of stock and bond market volatility. The Fund seeks to earn a high level of income consistent with those objectives. The Fund holds guaranteed investment contracts that typically have a fixed maturity. Each contract contains a provision that the issuer will, if required, repay principal at the stated contract value for the purpose of paying benefit payments (fully benefit responsive).

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

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

| | Investment Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,614,713 | $ - | $ - | $ 1,614,713 |
| Value funds | 1,771,238 | - | - | 1,771,238 |
| Index funds | 1,951,275 | - | - | 1,951,275 |
| Fixed income funds | 891,540 | - | - | 891,540 |
| Common collective trust | | | | |
| Stable value funds | - | 2,054,037 | - | 2,054,037 |
| Total assets and fair value | $ 6,228,766 | $ 2,054,037 | $ - | $ 8,282,803 |

| | Investment Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,843,161 | $ - | $ - | $ 1,843,161 |
| Value funds | 1,393,924 | - | - | 1,393,924 |
| Balanced funds | 794,698 | - | - | 794,698 |
| Index funds | 709,097 | - | - | 709,097 |
| Fixed income funds | - | - | - | - |
| Common collective trust | | | | |
| Stable value funds | - | 2,100,894 | - | 2,100,894 |
| Total assets and fair value | $ 4,740,880 | $ 2,100,894 | $ - | $ 6,841,774 |

**NOTE 5 – TAX STATUS**

The Plan document is a prototype standardized defined contribution plan that received a favorable opinion letter from the Internal Revenue Service on March 31, 2008, which stated that the Plan, as then designed, was in accordance with applicable sections of the Internal Revenue Code (IRC).

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax positions and does not believe the Plan has uncertain tax positions that require disclosure or adjustment to the financial statements.

**NOTE 6 – PARTY-IN-INTEREST TRANSACTIONS**

The Plan holds investments in shares of mutual funds managed by groups affiliated with the trustee; therefore, these investment transactions are party-in-interest transactions.

**NOTE 7 – CERTIFIED INFORMATION**

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, the trustee of the Plan, has certified the completeness and accuracy of:

- Investments reflected on the accompanying statements of net assets available for benefits consisting of the following:

| | DECEMBER 31, | |
|---|---|---|
| | 2012 | 2011 |
| Mutual funds | $ 6,228,766 | $ 4,740,880 |
| Common/collective trust (at contract value) | 1,996,118 | 2,048,397 |

- Net appreciation in fair value of investments, dividends, and interest reflected on the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2012.

- Investments reflected on the supplemental schedule of assets (held at end of year) other than participant loans.

**NOTE 8 – RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near term could materially affect a participant's account balance and the amounts reported in the financial statements.

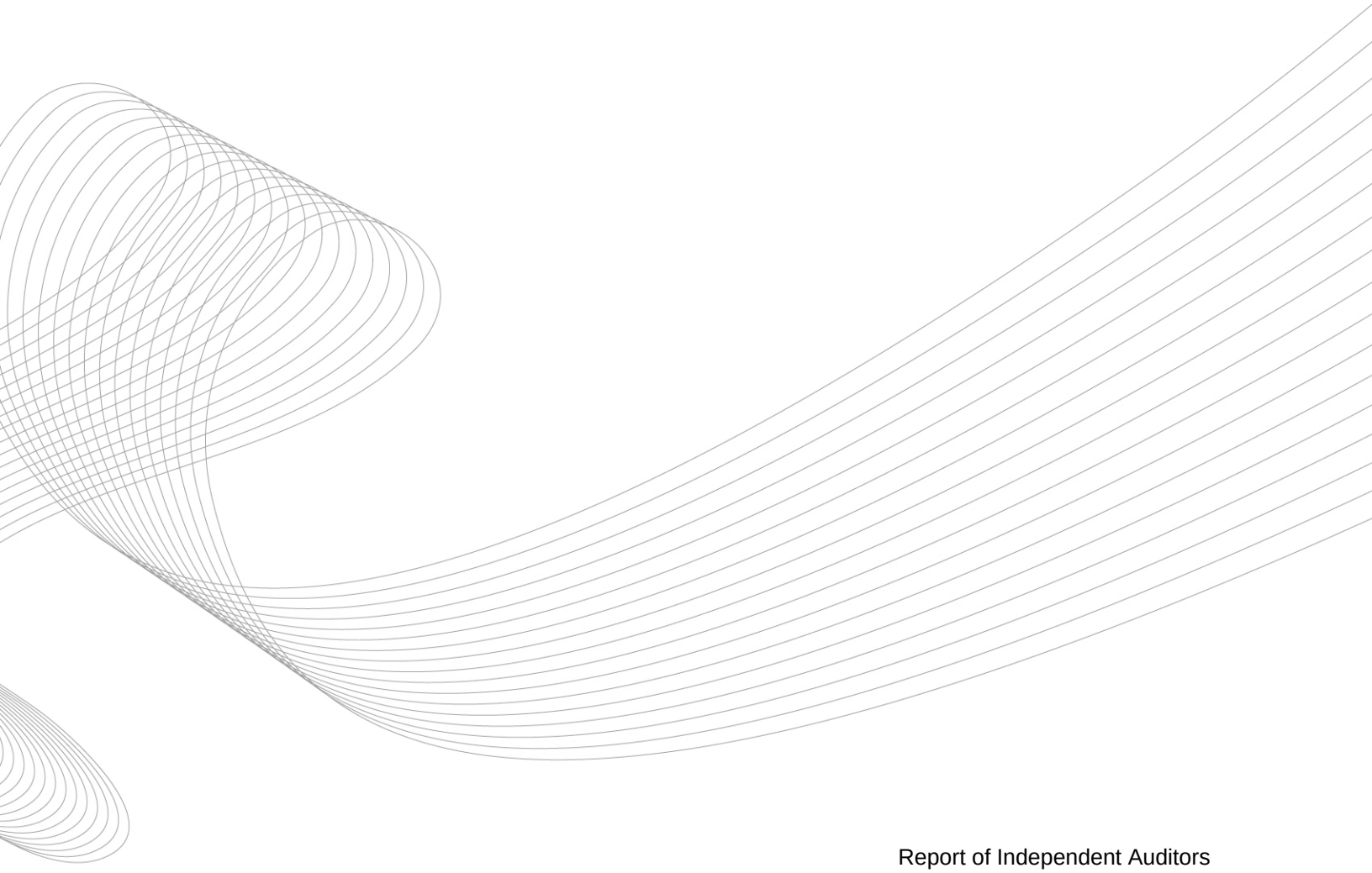
**NOTE 9 – PLAN TERMINATION**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, amounts allocated to a participant's account become fully vested.

**SUPPLEMENTAL SCHEDULE**
**REQUIRED BY THE DEPARTMENT OF LABOR**

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par, or Maturing Value | (e) Current Value |
|---|---|---|---|
| | **Cash** | | |
| * | Wells Fargo Bank | Cash | $ 2,079 |
| | **Common/collective trust** | | |
| * | Wells Fargo Bank | Wells Fargo Stable Return Fund N6 ** | 1,996,118 |
| | **Mutual funds** | | |
| * | Wells Fargo Bank | PIMCO Total Return – A | 891,540 |
| | Wells Fargo Bank | Vanguard Fixed Inc Secs GNMA | 255 |
| * | Wells Fargo Bank | Goldman Sacs Growth Opportunities 1 | 382,145 |
| * | Wells Fargo Bank | Oppenheimer Developing Markets Y | 342,960 |
| * | Wells Fargo Bank | T. Rowe Price Personal Strategy Growth Fund | 401,304 |
| * | Wells Fargo Bank | Virtus Real Estate Securitas A | 97,601 |
| * | Wells Fargo Bank | American Eropac Growth CL R 4 SHS | 390,447 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2010 ADM | 49,626 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2020 ADM | 431,072 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2030 ADM | 217,523 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2040 ADM | 51,909 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2050 ADM | 17,408 |
| * | Wells Fargo Bank | Wells Fargo Dow Jones TGT Today ADM | 44,207 |
| | Wells Fargo Bank | Wells Fargo Index Fund-Admin | 144,842 |
| | Wells Fargo Bank | Wells Fargo Adv Omega Growth | 949,006 |
| * | Wells Fargo Bank | Dreyfus S&P Midcap Index Fund | 45,683 |
| * | Wells Fargo Bank | American Century Equity Income Inv | 170,982 |
| * | Wells Fargo Bank | Goldman Sachs Mid Cap Value Instl | 745,275 |
| * | Wells Fargo Bank | Wells Fargo Small Cap Value Fund ADM Class | 426,081 |
| * | Wells Fargo Bank | Oakmark Equity and Income 1 | 428,900 |
| | | Total mutual funds | 6,228,766 |
| | **Participant Loans** | | |
| * | Loans to participants | Loans to participants, maturities through 2027, 4.25%–6.00%, collateralized by the participant's account balance | 276,818 |
| | Total investments | | $ 8,503,781 |

Column (d) Cost is not required to be presented
* Represents a party-in-interest
** Shown at contract value



Report of Independent Auditors
and Financial Statements
with Supplemental Schedule

# Klein Foods, Inc. 401(k) Plan

December 31, 2012 and 2011

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee
## Klein Foods, Inc. 401(k) Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying statements of the Klein Foods, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters 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's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

***Disclaimer of Opinion***

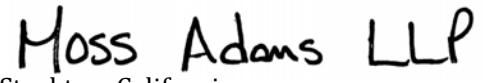
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The Schedule H, line 4(i) – Schedule of assets (held at end of year) as of year ended December 31, 2012, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplementary schedule.

***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 supplementary 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 DOL's Rules and Regulations for Reporting for Reporting and Disclosure under ERISA.




Stockton, California
July 17, 2013

# KLEIN FOODS, INC. 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | DECEMBER 31, 2012 | DECEMBER 31, 2011 |
|---|---|---|
| ASSETS | | |
| INVESTMENTS AT FAIR VALUE | | |
| Mutual funds | $ 6,228,766 | $ 4,740,880 |
| Common/collective trust | 2,054,037 | 2,100,894 |
| | 8,282,803 | 6,841,774 |
| NOTES RECEIVABLE FROM PARTICIPANTS | 276,818 | 225,358 |
| CASH | 2,079 | 111 |
| NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE | 8,561,700 | 7,067,243 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (57,919) | (52,497) |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 8,503,781 | $ 7,014,746 |


*See accompanying notes*

| | YEAR ENDED DECEMBER 31, 2012 |
|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO | |
| Investment income | |
| Net appreciation in fair value of investments | $ 610,854 |
| Dividends | 181,999 |
| | 792,853 |
| Interest income on notes receivable from participants | 10,457 |
| Contributions | |
| Employer | 274,919 |
| Participants | 620,869 |
| | 895,788 |
| Total additions | 1,699,098 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO | |
| Benefits paid to participants | 151,172 |
| Administrative expenses | 58,891 |
| Total deductions | 210,063 |
| CHANGE IN NET ASSETS | 1,489,035 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of year | 7,014,746 |
| End of year | $ 8,503,781 |

**NOTE 1 – PLAN DESCRIPTION**

The following description of the Klein Foods, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement and benefit plan documents for a more complete description of the Plan and its provisions.

**General** – The Plan is a defined contribution profit sharing plan available to all employees of Klein Foods, Inc. (the Employer or the Company). The Employer appoints an administrative committee to manage and administer the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Eligibility** – Employees who are at least 18 years of age are eligible to participate on the first of the month following the first 90 days of service.

**Contributions** – Participants may contribute up to 100% of their total regular earnings, up to the limit established by the Internal Revenue Code. Participants are also eligible to make after tax contributions to a Roth IRA account. The Employer matching contributions equal 100% of each participant's contributions up to a maximum of 3% of the participant's eligible compensation, plus 50% of the participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's eligible compensation for the Plan year. The Employer matching contribution was $274,919 for the year ended December 31, 2012. Employees are always 100% vested in their deferral contributions and Employer matching contributions.

The Company may make discretionary profit sharing contributions. Employees are 100% vested in discretionary profit sharing contributions at the time of the contribution. The Employer made no profit sharing contribution for the year ended December 31, 2012.

**Participant accounts** – The Plan provides for participant-directed accounts in which the participants may invest in one or more of the mutual funds or other investment options offered under the Plan.

In addition to the participant's salary deferrals, employer matching contributions and the allocation of employer discretionary contributions, if any, are credited to each participant's account. Each participant's account is credited with earnings and gains and losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Notes receivable from participants** – Participants may borrow from their fund account a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Loan terms range from one to five years or above five years in limited circumstances. Interest rates are based on prime rate plus 1% at the time the loan is made, and will remain fixed for the duration of the loan. Principal and interest is paid ratably through bi-weekly payroll deductions. The loans have maturities through 2027, interest rates are from 4.25% to 6.00%, and are collateralized by the participant's account balance.

**NOTE 1 – PLAN DESCRIPTION (CONTINUED)**

**Payments of benefits** – On termination of service due to death, disability, or retirement, a participant will receive payments in a lump-sum distribution. Distributions may be made at 59½ years of age while the participant is still employed by the Employer. Participant distributions may also be made as a hardship withdrawal at any age for specific and limited reasons while still employed by the Employer, or after leaving the employment of the Employer for any reason.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual method of accounting.

**Use of estimates** – In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**Recent accounting pronouncements** – In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 requires disclosure of valuation techniques for Level 2 and Level 3 measurements and for Level 3 measurements requires disclosure of valuation processes used by the reporting entity and quantitative information about significant unobservable inputs. ASU No. 2011-04 removes the requirement for nonpublic companies to disclose information about transfers between Level 1 and Level 2 of the fair value hierarchy. The Plan adopted this guidance on January 1, 2012.

**Investment valuation** – The investments are stated at fair value. The Plan's trustee, Wells Fargo Bank, certifies the contract value of the stable value fund and the fair market value of all other investments. If available, quoted market prices are used to value investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income recognition** – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation in those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents the unpaid principal balance plus accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan document.

**Expenses** – Administrative expenses related to operating and maintaining the Plan are paid by the Company. Certain investment and transaction fees are paid by participants in the Plan.

**Payment of benefits** – Benefits are recorded when paid.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date, but before financial statements are issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before financial statements are issued.

The Plan has evaluated subsequent events through July 17, 2013, which is the date the financial statements were available to be issued.

**NOTE 3 – INVESTMENTS**

The following presents the fair value of investments representing 5% or more of the Plan's net assets.

| | DECEMBER 31, | |
|---|---|---|
| | 2012 | 2011 |
| Wells Fargo Stable Return Fund N6 [1] | $ 1,996,118 | $ 2,048,397 |
| American Funds Growth Fund of America Fund | N/A | 630,619 |
| PIMCO Total Return – A | 891,540 | 709,097 |
| Wells Fargo Adv Dow Jones TGT 2020 ADM [2] | 431,072 | 303,659 |
| Wells Fargo Adv Omega Growth | 949,006 | N/A |
| T. Rowe Price Personal Strategy Growth Fund [3] | 401,304 | 453,896 |
| American Eropac Growth GL R 4 SHS [3] | 390,447 | 358,063 |
| Goldman Sachs Mid Cap Value Instl | 745,275 | 609,540 |
| Wells Fargo Small Cap Value Fund ADM Class | 426,081 | N/A |
| Oakmark Equity and Income 1 [2] | 428,900 | 321,796 |

[1] Contract value has been presented for the investment, as it is the relevant measurement for financial statement purposes

[2] Investment represents 5% or more of the Plan net assets at December 31, 2012

[3] Investment represents 5% or more of the Plan net assets at December 31, 2011

N/A – Investment did not represent 5% or more of the Plan net assets

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

The three levels of the fair value hierarchy are described as follows:

**Basis of Fair Value Measurement**

**Level 1 –** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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

**Level 3 –** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

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

| | Investment Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,614,713 | $ - | $ - | $ 1,614,713 |
| Value funds | 1,771,238 | - | - | 1,771,238 |
| Index funds | 1,951,275 | - | - | 1,951,275 |
| Fixed income funds | 891,540 | - | - | 891,540 |
| Common collective trust | | | | |
| Stable value funds | - | 2,054,037 | - | 2,054,037 |
| Total assets and fair value | $ 6,228,766 | $ 2,054,037 | $ - | $ 8,282,803 |

| | Investment Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 1,843,161 | $ - | $ - | $ 1,843,161 |
| Value funds | 1,393,924 | - | - | 1,393,924 |
| Balanced funds | 794,698 | - | - | 794,698 |
| Index funds | 709,097 | - | - | 709,097 |
| Fixed income funds | - | - | - | - |
| Common collective trust | | | | |
| Stable value funds | - | 2,100,894 | - | 2,100,894 |
| Total assets and fair value | $ 4,740,880 | $ 2,100,894 | $ - | $ 6,841,774 |

**NOTE 5 – TAX STATUS**

The Plan document is a prototype standardized defined contribution plan that received a favorable opinion letter from the Internal Revenue Service on March 31, 2008, which stated that the Plan, as then designed, was in accordance with applicable sections of the Internal Revenue Code (IRC).

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**SUPPLEMENTAL SCHEDULE**
**REQUIRED BY THE DEPARTMENT OF LABOR**

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par, or Maturing Value | (e) Current Value |
|---|---|---|---|
| | **Cash** | | |
| * | Wells Fargo Bank | Cash | $ 2,079 |
| | **Common/collective trust** | | |
| * | Wells Fargo Bank | Wells Fargo Stable Return Fund N6 ** | 1,996,118 |
| | **Mutual funds** | | |
| * | Wells Fargo Bank | PIMCO Total Return – A | 891,540 |
| | Wells Fargo Bank | Vanguard Fixed Inc Secs GNMA | 255 |
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| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2020 ADM | 431,072 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2030 ADM | 217,523 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2040 ADM | 51,909 |
| * | Wells Fargo Bank | Wells Fargo Adv Dow Jones TGT 2050 ADM | 17,408 |
| * | Wells Fargo Bank | Wells Fargo Dow Jones TGT Today ADM | 44,207 |
| | Wells Fargo Bank | Wells Fargo Index Fund-Admin | 144,842 |
| | Wells Fargo Bank | Wells Fargo Adv Omega Growth | 949,006 |
| * | Wells Fargo Bank | Dreyfus S&P Midcap Index Fund | 45,683 |
| * | Wells Fargo Bank | American Century Equity Income Inv | 170,982 |
| * | Wells Fargo Bank | Goldman Sachs Mid Cap Value Instl | 745,275 |
| * | Wells Fargo Bank | Wells Fargo Small Cap Value Fund ADM Class | 426,081 |
| * | Wells Fargo Bank | Oakmark Equity and Income 1 | 428,900 |
| | | Total mutual funds | 6,228,766 |
| | **Participant Loans** | | |
| * | Loans to participants | Loans to participants, maturities through 2027, 4.25%–6.00%, collateralized by the participant's account balance | 276,818 |
| | Total investments | | $ 8,503,781 |

Column (d) Cost is not required to be presented
* Represents a party-in-interest
** Shown at contract value