

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>07/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input checked="" type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan <u>FIRST EMPIRE CD MANAGEMENT INC. EMPLOYEE 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1989</u>			
1b Three-digit plan number (PN) ▶	<u>001</u>						
1c Effective date of plan <u>07/01/1989</u>							
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>FIRST EMPIRE CD MANAGEMENT, INC.</u> <u>100 MOTOR PARKWAY</u> <u>2ND FLOOR</u> <u>HAUPPAUGE, NY 11788</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">2b Employer Identification Number (EIN) <u>11-3042139</u></td> <td style="width: 20%;"></td> </tr> <tr> <td>2c Sponsor's telephone number <u>800-645-5424</u></td> <td></td> </tr> <tr> <td>2d Business code (see instructions) <u>523110</u></td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) <u>11-3042139</u>		2c Sponsor's telephone number <u>800-645-5424</u>		2d Business code (see instructions) <u>523110</u>	
2b Employer Identification Number (EIN) <u>11-3042139</u>							
2c Sponsor's telephone number <u>800-645-5424</u>							
2d Business code (see instructions) <u>523110</u>							

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. Signature of plan administrator	<u>07/29/2013</u> Date	<u>LENA BHOLAN</u> Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	<u>07/29/2013</u> Date	<u>LENA BHOLAN</u> 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 <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address FIRST EMPIRE CD MANAGEMENT, INC. 100 MOTOR PARKWAY 2ND FLOOR HAUPPAUGE, NY 11788	3b Administrator's EIN 11-3042139 3c Administrator's telephone number 800-645-5424
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	5 171
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 152
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 15
d Subtotal. Add lines 6a , 6b , and 6c	6d 167
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 167
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 157
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 11
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H	
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) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 07/01/2012 and ending 12/31/2012

A Name of plan <u>FIRST EMPIRE CD MANAGEMENT INC. EMPLOYEE 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST EMPIRE CD MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>11-3042139</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO.

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 37 65 60	RECORDKEEPER	394	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AMCENT INFL-ADJBD IV - AMERICAN CEN</p> <p>44-0619208</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>INVS INTL GROWTH R5 - INVESCO CANAD P.O. BOX 4739 HOUSTON, TX 77210-4739</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.35%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>NB GUARDIAN TRUST - STATE STREET BA</p> <p>04-0025081</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO TOT RETURN ADM - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.27%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRU/J MID CAP GR A - PRUDENTIAL MUT 22-3703799	0.35%	
(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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning <u>07/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>FIRST EMPIRE CD MANAGEMENT INC. EMPLOYEE 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST EMPIRE CD MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>11-3042139</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	4459
(2) Participant contributions	1b(2)	0	19297
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3650360	3197832
(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)	183515	157149
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	8694075	9826850
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	12527950	13205587

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 through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12527950	13205587
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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)	93043	
(B) Participants	2a(1)(B)	319830	
(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)		412873
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	178	
(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)	4031	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4209
(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)	217104	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		217104
(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)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		290453
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		924639

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	246605	
(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)		246605
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)	397	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		397
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		247002

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		677637
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ 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 ☐ No

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

(1) Name: WEISERMAZARS LLP

(2) EIN: 13-1459550

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:

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.).....

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.).....

	Yes	No	Amount
4a		X	
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	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?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.		X	

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

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

5b(1) Name of plan(s)

	5b(2) EIN(s)	5b(3) PN(s)

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.
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For calendar plan year 2012 or fiscal plan year beginning 07/01/2012 and ending 12/31/2012

A Name of plan <u>FIRST EMPIRE CD MANAGEMENT INC. EMPLOYEE 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST EMPIRE CD MANAGEMENT, INC.</u>	D Employer Identification Number (EIN) <u>11-3042139</u>

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	<u>0</u>
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): <u>04-6568107</u>		
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 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)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
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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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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): _____

WeiserMazars LLP

**First Empire CD
Management Inc.
Employee 401(k)
Profit Sharing Plan**

**Financial Statements
and Supplemental Schedule
For the six months ended
December 31, 2012 and the
year ended June 30, 2012**



First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Contents

For the six months ended December 31, 2012 and the year ended June 30, 2012

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Independent Auditors' Report

To the Participants and Administrative Committee
First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

We were engaged to audit the accompanying financial statements of First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012, and June 30, 2012, and the related statement of changes in net assets available for benefits for the six month period 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.

Auditors' 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 matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, 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 for the six month period ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

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 of Assets (Held at End of Year) as of December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 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 supplemental 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 supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



June 20, 2013

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Statements of Net Assets Available for Benefits

December 31, 2012 and June 30, 2012

	<u>December 31, 2012</u>	<u>June 30, 2012</u>
Assets		
Investments, at fair value		
Money market	\$ 3,197,832	\$ 3,650,360
Mutual funds	<u>9,826,850</u>	<u>8,694,077</u>
	13,024,682	12,344,437
 Notes receivable from participants	 157,149	 183,514
Employer contributions receivable	4,459	-
Participant contributions receivable	<u>19,297</u>	<u>-</u>
Total assets	<u>13,205,587</u>	<u>12,527,951</u>
 Net assets available for benefits	 <u><u>\$ 13,205,587</u></u>	 <u><u>\$ 12,527,951</u></u>

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

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits
For the six month period ended December 31, 2012

Additions

Investment income	
Net appreciation in fair value of investments	\$ 290,452
Interest income	178
Dividends	217,104
	<u>507,734</u>
 Interest on participant loans	 <u>4,031</u>
 Contributions	
Employer	93,043
Participants	319,830
	<u>412,873</u>
 Total additions	 <u>924,638</u>

Deductions

Benefits paid to participants	246,605
Administrative expenses	397
	<u>247,002</u>
 Total deductions	 <u>247,002</u>

Net increase 677,636

Net assets available for benefits

Beginning	<u>12,527,951</u>
 Ending	 <u><u>\$ 13,205,587</u></u>

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

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

1. Description of Plan

The following description of the First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering all employees of First Empire CD Management Inc. and related entities (the “Company”) (other than interns, seasonal, and temporary employees) who have attained the age of twenty and a half years and have completed six months of service. Covered employees may defer a percentage of their wages as a contribution to the Plan with a portion matched by the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan was amended to change its year-end from June 30th, to December 31st, effective December 31, 2012.

Contributions

Each year, participants may contribute up to the lesser of either 40% of eligible compensation or the dollar limitation provided by Section 402 (g) of the Internal Revenue Code (“IRC”) in effect at the beginning of such year. Participants who were at least age 50 by December 31, 2012, were able to make an additional “catch-up” contribution up to a maximum of \$5,500 in 2012. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans with the exception of Roth contributions. Participants direct the investment of their contributions into various investment options offered by the Plan. As of December 31, 2012, the Plan offered one money market fund and thirty-three mutual funds as investment options for participants. The Company adopted a provision for discretionary profit sharing contributions and a discretionary match of the elective contributions made by the participant. The Company adopted a provision for non-discretionary contributions of \$250 to any eligible employee as of May 1, 2012, or meets the eligibility requirements thereafter. For the six month period ended December 31, 2012, the Company made contributions in the amount of \$93,043.

Vesting

Participants are immediately vested in their elective contributions plus actual earnings thereon. Participant vesting in the Company’s matching contributions plus actual earnings thereon is based on years of continuous service. A participant is 20% vested after two years of service, 40% after three years of service, 60% after four years of service, 80% after five years of service, and 100% after six years of service.

Participant Accounts

Each participant’s account is credited with the (a) participant’s contributions and (b) the Company’s matching contributions for such participants and (c) earnings thereon. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Forfeitures

Forfeited non-vested funds may be utilized by the Company to pay administrative expenses or reduce future matching contributions. For the six month period ended December 31, 2012, forfeited funds in the amount of \$1,750 were used to offset matching contributions. At December 31, 2012, \$38,208 was available to pay administrative expenses or offset future matching contributions.

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of either (a) \$50,000 reduced by the excess of the highest outstanding balance of all other loans from the Plan during the one-year period before the loan was made, or (b) 50% of the non-forfeitable amount of the participant's account balance. Participants may only have two loans outstanding at any given time. The loans are collateralized by up to 50% of the vested balance in the participant's account and bears interest at a rate commensurate with prevailing rates as determined by the Plan administrator. As of December 31, 2012 and June 30, 2012, participant notes receivable were \$157,149 and \$183,514, respectively, at interest rates ranging from approximately 5.25% to 7.00% per annum. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service due to death, disability, or retirement at normal retirement age, a participant with a vested account balance may elect to receive a lump-sum amount equal to the value of the vested interest in his or her account or delay the distribution until required by law to receive minimum required distributions. Amounts are not distributed except by reason of retirement, death, disability, hardship, or the attainment of age 59 ½. However, a single lump-sum distribution will be made immediately upon termination if the Participant's vested account balance is less than \$1,000.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies, excluding money market funds, are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Money market funds are valued at their stated balances at December 31, 2012 and June 30, 2012, which are considered to be fair value. The principal of all participant outstanding loans is valued at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents, in the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments which consists of the gains and losses on investments bought and sold as well as held during the six month period ended December 31, 2012.

Benefit Payments

Benefit payments are recorded when paid.

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

Concentrations of Credit Risk

Financial instruments which potentially subject the Plan to concentrations of credit risk are investments. The Plan invests its assets in money market and mutual funds (see Note 1). A single investment company manages twenty eight of the thirty three mutual funds. The Plan holds no collateral for these financial instruments.

Use of Estimates

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

Risks and Uncertainties

The Plan provides for investment options as described in Note 1. Mutual funds are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with those investment options, it is at least reasonably possible that changes in market conditions in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

3. Information Certified by the Trustee (Unaudited)

As permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, all of the investment and investment income information in the accompanying financial statements as of December 31, 2012 and June 30, 2012, and for the six month period ended December 31, 2012, was derived from information certified as complete and accurate by Fidelity Management Trust Company as trustee, and was not subject to audit.

During the period ended December 31, 2012, net appreciation from the Plan's mutual fund investments (including gains and losses on investments bought and sold, as well as held during the period) amounted to \$290,452.

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

The following table presents a summary of investments at fair value as of December 31, 2012 and June 30, 2012. Investments that represent 5% or more of the net assets available for benefits in each respective year are identified by an asterisk:

	12/31/2012		6/30/2012	
Fidelity Retirement Money Market Portfolio	\$ 3,197,832	*	\$ 3,650,360	*
Fidelity Intermediate Bond Fund	347,137		368,925	
PIMCO Total Return Fund	679,488	*	617,740	
Spartan Short-Term Treasury Bond Index Fund - Adv	4,277		698	
Spartan Intermediate Treasury Bond Index Fund - Adv	4,052		2,501	
American Century Inflation Adjusted Bond Fund Investor Class	251,710		321,452	
Fidelity Balanced Fund	192,841		144,672	
Fidelity Equity-Income Fund	294,308		278,957	
Fidelity Fund	313,144		316,011	
Fidelity Growth & Income Fund	319,664		366,259	
Fidelity Dividend Growth Fund	226,721		244,877	
Neuberger Berman Guardian Fund Trust Class	12,371		16,710	
Spartan 500 Index Fund Investor Class	409,223		257,011	
Fidelity Low-Priced Stock Fund	519,335		419,670	
Fidelity Growth Company Fund	1,514,477	*	1,350,826	*
Fidelity Independence Fund	88,973		78,887	
Fidelity Contrafund	1,988,371	*	1,880,275	*
Fidelity Mid-Cap Stock Fund	229,631		229,785	
Prudential Jennison Mid Cap Growth A	192,145		155,275	
Fidelity Diversified International Fund	176,502		150,891	
Invesco International Growth Fund	79,380		59,365	
Fidelity Freedom Income Fund	34,260		31,490	
Fidelity Freedom 2000 Fund	11,729		31,311	
Fidelity Freedom 2005 Fund	1,956		1,075	
Fidelity Freedom 2010 Fund	402,288		380,216	
Fidelity Freedom 2015 Fund	5,180		64,093	
Fidelity Freedom 2020 Fund	18,001		19,855	
Fidelity Freedom 2025 Fund	776,084	*	280,236	
Fidelity Freedom 2030 Fund	133,413		109,465	
Fidelity Freedom 2035 Fund	48,234		37,103	
Fidelity Freedom 2040 Fund	266,847		232,116	
Fidelity Freedom 2045 Fund	26,638		25,915	
Fidelity Freedom 2050 Fund	245,353		213,971	
Fidelity Freedom 2055 Fund	13,117		6,444	
	<u>\$ 13,024,682</u>		<u>\$ 12,344,437</u>	

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

4. Plan Termination

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

5. Tax Status

In 2008, the Plan obtained a general Internal Revenue Service (“IRS”) Approval Letter for the Prototype Non-Standardized 401(k) Profit Sharing Plan. The IRS Approval Letter precludes the necessity for the Plan to file for an individual Letter of Determination with the IRS. Plan management believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes due from the Plan has been included in the Plan’s financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years ending prior to 2009.

6. Administrative Expenses

The Company pays substantially all administrative costs of the Plan. Loan fees are deducted directly from the participants’ accounts.

7. Party-in-Interest Transactions

Certain plan investments are comprised of funds which are managed by Fidelity Investments Institutional Operations Company, Inc., a related party of Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

8. Fair Value of Investments

Financial Accounting Standards Board (“FASB”) Authoritative Guidance establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America and expands the disclosure about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

The three levels of the fair value hierarchy under FASB Authoritative Guidance are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; and (d) 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 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.

The following is a description of the valuation methodologies used for assets measured at December 31, 2012 and June 30, 2012:

- Money market fund – valued at cost plus accrued interest which approximates fair value
- Mutual funds – valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are recognized with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

The following are the major categories of assets measured at fair value on a recurring basis and summarized by the fair value hierarchy as described above, as of December 31, 2012 and June 30, 2012:

Fair Value Measurement at December 31, 2012

Investment Type	Balance at December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Large Cap Funds	\$ 5,167,252	\$ 5,167,252	\$ -	\$ -
Mid Cap Funds	941,111	941,111	-	-
International Funds	255,882	255,882	-	-
Blended Funds	2,175,941	2,175,941	-	-
Bond Funds	1,286,664	1,286,664	-	-
Money Market Fund	3,197,832	3,197,832	-	-
	<u>\$ 13,024,682</u>	<u>\$ 13,024,682</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurement at June 30, 2012

Investment Type	Balance at June 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Large Cap Funds	\$ 4,789,813	\$ 4,789,813	\$ -	\$ -
Mid Cap Funds	804,730	804,730	-	-
International Funds	210,256	210,256	-	-
Blended Funds	1,577,962	1,577,962	-	-
Bond Funds	1,311,316	1,311,316	-	-
Money Market Fund	3,650,360	3,650,360	-	-
	<u>\$ 12,344,437</u>	<u>\$ 12,344,437</u>	<u>\$ -</u>	<u>\$ -</u>

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

Notes to Financial Statements

For the six months ended December 31, 2012 and the year ended June 30, 2012

9. Subsequent Events

The Company has evaluated subsequent events through June 20, 2013, the date on which the financial statements were available for issuance.

First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan
EIN: 11-3042139 Plan: 001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2012

(a) Party in Interest	(b) Identity of Issue, borrower, lessor or similar party	(c) Description of Investment	(d) Cost **	(e) Current Value
	Money market:			
*	Fidelity Investments	Retirement Money Market Portfolio	\$	3,197,832
	Mutual funds:			
*	Fidelity Investments	Intermediate Bond Fund		347,137
	PIMCO Investments	PIMCO Total Return Fund		679,488
*	Fidelity Investments	Spartan Short-Term Treasury Bond Index Fund - Adv		4,277
*	Fidelity Investments	Spartan Intermediate Treasury Bond Index Fund - Adv		4,052
	American Century	American Century Inflation Adjusted Bond Fund Investor Class		251,710
*	Fidelity Investments	Balanced Fund		192,841
*	Fidelity Investments	Equity-Income Fund		294,308
*	Fidelity Investments	Fidelity Fund		313,144
*	Fidelity Investments	Growth & Income Fund		319,664
*	Fidelity Investments	Dividend Growth Fund		226,721
	Neuberger Berman Group	Neuberger Berman Guardian Fund Trust Class		12,371
*	Fidelity Investments	Spartan 500 Index Fund Investor Class		409,223
*	Fidelity Investments	Low-Priced Stock Fund		519,335
*	Fidelity Investments	Growth Company Fund		1,514,477
*	Fidelity Investments	Independence Fund		88,973
*	Fidelity Investments	Contrafund		1,988,371
*	Fidelity Investments	Mid-Cap Stock Fund		229,631
	Prudential Investments	Prudential Jennison Mid Cap Growth A		192,145
*	Fidelity Investments	Diversified International Fund		176,502
	Invesco	Invesco International Growth Fund		79,380
*	Fidelity Investments	Freedom Income Fund		34,260
*	Fidelity Investments	Fidelity Freedom 2000 Fund		11,729
*	Fidelity Investments	Fidelity Freedom 2005 Fund		1,956
*	Fidelity Investments	Fidelity Freedom 2010 Fund		402,288
*	Fidelity Investments	Fidelity Freedom 2015 Fund		5,180
*	Fidelity Investments	Fidelity Freedom 2020 Fund		18,001
*	Fidelity Investments	Fidelity Freedom 2025 Fund		776,084
*	Fidelity Investments	Fidelity Freedom 2030 Fund		133,413
*	Fidelity Investments	Fidelity Freedom 2035 Fund		48,234
*	Fidelity Investments	Fidelity Freedom 2040 Fund		266,847
*	Fidelity Investments	Fidelity Freedom 2045 Fund		26,638
*	Fidelity Investments	Fidelity Freedom 2050 Fund		245,353
*	Fidelity Investments	Fidelity Freedom 2055 Fund		13,117
	Loans to Participants	with annual interest rates ranging from 5.25% to 7.00% per annum		157,149
	Total		\$	13,181,831

*Indicates party-in-interest to the Plan

**Participant directed investments, cost disclosure not required

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First Empire CD Management Inc. Employee 401(k) Profit Sharing Plan

EIN: 11-3042139 Plan: 001

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

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