

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
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>LORD & TAYLOR 401(K) RETIREMENT SAVINGS 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>10/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/2006</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>LORD & TAYLOR LLC</u> <u>424 FIFTH AVENUE</u> <u>NEW YORK, NY 10018-2703</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-5344961</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>212-391-3344</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>452110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-5344961</u>	2c Sponsor's telephone number <u>212-391-3344</u>	2d Business code (see instructions) <u>452110</u>	
2b Employer Identification Number (EIN) <u>20-5344961</u>					
2c Sponsor's telephone number <u>212-391-3344</u>					
2d Business code (see instructions) <u>452110</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>08/16/2013</u> Date	<u>NICOLE HORROCKS</u> 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 ☒ 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 9108
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 8979	
b Retired or separated participants receiving benefits.....	6b 0	
c Other retired or separated participants entitled to future benefits.....	6c 928	
d Subtotal. Add lines 6a , 6b , and 6c	6d 9907	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 9	
f Total. Add lines 6d and 6e	6f 9916	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 7260	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 942	
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: 2A 2E 2F 2G 2J 2K 2S 2T 3D 3F 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) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ 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 01/01/2012 and ending 12/31/2012

A Name of plan LORD & TAYLOR 401(K) RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 LORD & TAYLOR LLC	D Employer Identification Number (EIN) 20-5344961

Part I	Service Provider Information (see instructions)
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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
BANK OF AMERICA

94-1687665

(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)

MERRILL LYNCH, PIERCE, FENNER AND S

13-5674085

(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 52 59 60 62 72	RECORDKEEPER	59052	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

LORD & TAYLOR

250 HIGHLAND PARK BLVD
WILKES-BARRE, PA 18702

(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?
50	OTHER	72916	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☐

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

MAYER HOFFMANN MCCANN PC

ONCE CITY PLACE DRIVE
SUITE 570
ST. LOUIS, MO 63141

(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?
10	ACCOUNTANT	11450	Yes ☐ No ☒	Yes ☐ No ☒	0	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

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

A Name of plan <u>LORD & TAYLOR 401(K) RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LORD & TAYLOR LLC</u>	D Employer Identification Number (EIN) <u>20-5344961</u>	

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: <u>SMALL CAP INDEX TRUST</u>				
b Name of sponsor of entity listed in (a): <u>BANK OF AMERICA, N.A.</u>				
c EIN-PN <u>22-6727804-019</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTL INDEX TRUST</u>				
b Name of sponsor of entity listed in (a): <u>BANK OF AMERICA, N.A.</u>				
c EIN-PN <u>22-6822027-010</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>EQUITY INDEX TRUST</u>				
b Name of sponsor of entity listed in (a): <u>BANK OF AMERICA, N.A.</u>				
c EIN-PN <u>22-6575237-014</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FEDERATED CAPITAL PRES CL ISP</u>				
b Name of sponsor of entity listed in (a): <u>FEDERATED INVESTORS TRUST COMPANY</u>				
c EIN-PN <u>22-2712853-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>50934861</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA S & P 500 INDEX CL D</u>				
b Name of sponsor of entity listed in (a): <u>STATE STREET BANK AND TRUST COMPANY</u>				
c EIN-PN <u>90-0337987-275</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>29100222</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA INTERNATIONAL INDEX CL D</u>				
b Name of sponsor of entity listed in (a): <u>STATE STREET BANK AND TRUST COMPANY</u>				
c EIN-PN <u>90-0337987-288</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10762413</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA RUSSELL SMALL CAP INDEX CL D</u>				
b Name of sponsor of entity listed in (a): <u>STATE STREET BANK AND TRUST COMPANY</u>				
c EIN-PN <u>90-0337987-263</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11806825</u>		

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
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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
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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 <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>LORD & TAYLOR 401(K) RETIREMENT SAVINGS 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>LORD & TAYLOR LLC</u>		D Employer Identification Number (EIN) <u>20-5344961</u>

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	0	5276
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	1260088	1570063
	(2) Participant contributions	1b(2)	0	0
	(3) Other	1b(3)	0	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	282948	97566
	(2) U.S. Government securities	1c(2)	0	0
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	0	0
	(B) All other	1c(3)(B)	0	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	0	0
	(B) Common	1c(4)(B)	0	0
	(5) Partnership/joint venture interests	1c(5)	0	0
	(6) Real estate (other than employer real property)	1c(6)	0	0
	(7) Loans (other than to participants)	1c(7)	0	0
	(8) Participant loans	1c(8)	2905491	2975632
	(9) Value of interest in common/collective trusts	1c(9)	100287120	103501794
	(10) Value of interest in pooled separate accounts	1c(10)	0	0
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	34054940	39613942
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	138790587	147764273

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	110446	106766
k Total liabilities (add all amounts in lines 1g through 1j)	1k	110446	106766

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	138680141	147657507
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1570063	
(B) Participants	2a(1)(B)	9193364	
(C) Others (including rollovers)	2a(1)(C)	680668	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		11444095

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	128462	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		128463

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1181362	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1181362

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		7897577
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(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)		1921350
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		22572847

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13182052	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		13182052
f Corrective distributions (see instructions)	2f		115307
g Certain deemed distributions of participant loans (see instructions).....	2g		154729
h Interest expense.....	2h		0
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)	143393	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		143393
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		13595481

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		8977366
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ 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: **MAYER HOFFMAN MCCANN P.C.**

(2) EIN: **43-1947695**

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		10000000
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.			

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 01/01/2012 and ending 12/31/2012

A Name of plan <u>LORD & TAYLOR 401(K) RETIREMENT SAVINGS 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>LORD & TAYLOR LLC</u>	D Employer Identification Number (EIN) <u>20-5344961</u>

Part I	Distributions
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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>94-1687665</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)
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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
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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.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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): _____

**LORD & TAYLOR 401(k) RETIREMENT
SAVINGS PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

December 31, 2012 and 2011 and the
Year Ended December 31, 2012



Mayer Hoffman McCann P.C.

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Lord & Taylor 401(k) Retirement Savings 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.

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 ("DOL") 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 5, which was certified by Bank of America, N.A., the trustee of the Plan, except for comparing the 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 certifications 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.

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 supplemental schedule of assets (held at end of year) as of December 31, 2012, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

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

Mayer Hoffman McCann P.C.

St. Louis, Missouri
August 6, 2013

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Investments at fair value	\$ 143,218,578	\$ 134,625,008
Receivables:		
Employer contributions	1,570,063	1,260,088
Notes receivable from participants	<u>2,975,632</u>	<u>2,905,491</u>
	<u>4,545,695</u>	<u>4,165,579</u>
 TOTAL ASSETS	 <u>147,764,273</u>	 <u>138,790,587</u>
 <u>LIABILITIES</u>		
Excess contributions refundable	<u>106,766</u>	<u>110,446</u>
 TOTAL LIABILITIES	 <u>106,766</u>	 <u>110,446</u>
 Net assets reflecting all investments at fair value	 147,657,507	 138,680,141
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(897,473)</u>	<u>(1,156,091)</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 146,760,034</u></u>	 <u><u>\$ 137,524,050</u></u>

See Notes to the Financial Statements

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2012

ADDITIONS

Investment income:

Net appreciation in fair value of investments	\$	9,364,785
Dividends		<u>1,894,123</u>

Interest income on notes receivable from participants		<u>128,462</u>
---	--	----------------

Contributions:

Employer		1,570,063
Participants		9,193,364
Rollovers		579,386
Other		<u>101,282</u>

11,444,095

TOTAL ADDITIONS		<u>22,831,465</u>
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DEDUCTIONS

Benefits paid to participants		13,297,359
Administrative expenses		143,393
Deemed distributions		<u>154,729</u>

TOTAL DEDUCTIONS		<u>13,595,481</u>
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NET INCREASE		9,235,984
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of Year		<u>137,524,050</u>
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End of Year	\$	<u><u>146,760,034</u></u>
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See Notes to the Financial Statements

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan

The following description of the Lord & Taylor 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the Plan Administrator.

General – The Plan is a defined contribution plan available to all employees of Lord & Taylor LLC (the "Company") who have met certain eligibility requirements, as discussed below. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan is administered by the Company's Retirement & Investment Committee (Committee), which is a committee of the Board of Directors of the Company. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Directors.

Eligibility – An employee becomes eligible to make participant contributions after attaining age 21 and completing six months of service. After one year of service (twelve consecutive months paid and 1,000 hours of service) and attainment of age 21, the employee becomes eligible for Company matching and profit sharing contributions.

If a participant does not make an election with respect to Plan participation, he/she will automatically be enrolled ("auto enrollment") after one year of service, as defined by the plan document, at a rate of 3%. Those contributions will be invested in the Plan's retirement strategy funds.

Contributions – Each year, participants may contribute up to 75% of pretax annual compensation, limited to \$17,000 in 2012, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Additionally, participants age 50 or older, who are making contributions to the Plan, are allowed to make catch-up contributions as defined in the Plan. The Company matching contributions are funded annually and are discretionary based on performance. For the year ended December 31, 2012, the Company contributed 30% of the first 5% of base compensation that a participant contributed to the Plan.

Participant investment account options – Excluding auto enrollment, participants direct the investment of all contributions into various investment options offered by the Plan. The Plan currently offers 17 mutual funds and four common collective trust accounts as investment options for participants.

During the year ended December 31, 2012, Merrill Lynch closed its propriety common collective trust funds. The Committee elected to replace the funds with funds sponsored by State Street Global Advisors.

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

Participant accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of credited service. A year of credited service is defined by a full calendar year in which the participant is paid for at least 1,000 hours of work.

A participant is 100% vested after six years of credited service. Any participant active on October 1, 2006, continues to accrue vesting based on years of credited service prior October 1, 2006.

Payment of benefits – Plan participants or beneficiaries are eligible to receive a benefit payment equal to their vested account balance upon termination of employment, retirement, death or permanent disability, as stipulated in the Plan document. Such benefits shall be made in a lump-sum payment, subject to certain restrictions as defined in the Plan. In-service withdrawals are permitted for those active participants who have attained age 59 ½. In addition, the Plan permits hardship withdrawals.

Notes receivable from participants – Participants may borrow from their account a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates, which are commensurate with local prevailing rates (prime rate plus 1%). Principal and interest is paid ratably through payroll deductions.

Forfeited accounts – At December 31, 2012 and 2011 forfeited non-vested accounts totaled \$52,823 and \$51,901, respectively. These accounts will be used to reduce future employer contributions. Also, during the year ended December 31, 2012, employer contributions were reduced by \$52,823 from forfeited nonvested accounts when funded in 2012.

(2) Summary of significant accounting policies

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

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

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits presents 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. The Federated Capital Preservation Fund is a fully benefit-responsive investment contract.

Use of estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussions of fair value measurements.

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

Notes receivable from participants – Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Unit values – Individual participant accounts for the common collective trust funds are maintained on a unit value basis. Participants do not have beneficial ownership in the specific underlying securities or other assets in the funds, but do have an interest therein represented by units valued daily. The funds earn dividends and interest which are automatically reinvested in additional units. Generally, contributions to and withdrawals from each fund are converted to units by dividing the amounts of such transactions by the unit values as last determined, and the participants' accounts are charged or credited with the number of units properly attributable to each participant.

Payment of benefits – Benefits are recorded when paid.

Administrative expenses – Certain expenses of the Plan are paid by the Company and are not included in the statement of changes in net assets available for benefits. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

New accounting pronouncements – The following new accounting pronouncements were adopted during the year ended December 31, 2012:

Fair value measurements – In May 2011, the FASB issued guidance which amends Accounting Standards Codification (“ASC”) 820. This guidance requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, it provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The guidance requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. Net assets available for benefits and changes in net assets available for benefits of Plan were not affected by the adoption of the new guidance.

(3) Investments

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

	December 31,	
	2012	2011
Federated Capital Preservation Fund (ISP)	\$ 51,832,334	\$ 54,344,870
SSGA S&P 500 Index Fund CL D	29,100,222	-
Dreyfus Bond Market Index Fund	15,540,069	14,609,019
SSGA Russell Small Cap CL D	11,806,825	-
SSGA International Index CL D	10,762,413	-
Invesco Equity & Income Fund	7,821,086	7,271,117
Merrill Lynch Equity Index Trust I	-	25,913,962
Merrill Lynch Small Cap Index Trust	-	11,019,704
Merrill Lynch Intl Index Trust CT Tier 2	-	9,008,584

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

Common collective trusts	\$ 7,417,892
Mutual funds	1,946,893
	<u>\$ 9,364,785</u>

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(4) Investment contract

The Plan holds investments in the Federated Capital Preservation Fund, which is a common collective trust fund managed by Federated Investors Trust Company ("Federated"). Federated maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the statements of net assets available for benefits at estimated fair value as provided by Federated.

The adjustment from fair value to contract value for the investment contract is based on the contract value as provided by Federated. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

(5) Information prepared and certified by the trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Bank of America, N.A. ("Bank of America") has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate with respect to investments:

- Investments at fair value, except for the Federated Capital Preservation Fund (contract value)
- Notes receivable from participants
- Net appreciation in fair value of investments
- Dividends
- Interest income on notes receivable from participants
- Schedule of assets (held at end of year)

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(6) Fair value measurements

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

- | | |
|---------|---|
| 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 and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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

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

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 registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common collective trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(6) Fair value measurements (continued)

of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. See Note 4.

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

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

Investments at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 102,842	\$ -	\$ -	\$ 102,842
Mutual funds				
Intermediate-term bond fund	15,540,069	-	-	15,540,069
Moderate allocation fund	12,752,594	-	-	12,752,594
Target date funds	11,321,279	-	-	11,321,279
Total mutual funds	39,613,942	-	-	39,613,942
Common collective trusts	*			
	-	103,501,794	-	103,501,794
Total investments at fair value	\$ 39,716,784	\$ 103,501,794	\$ -	\$ 143,218,578
Investments at Fair Value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 282,948	\$ -	\$ -	\$ 282,948
Mutual funds				
Intermediate-term bond fund	14,609,019	-	-	14,609,019
Moderate allocation fund	11,282,225	-	-	11,282,225
Target date funds	8,163,696	-	-	8,163,696
Total mutual funds	34,054,940	-	-	34,054,940
Common collective trusts	*			
	-	100,287,120	-	100,287,120
Total investments at fair value	\$ 34,337,888	\$ 100,287,120	\$ -	\$ 134,625,008

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(6) Fair value measurements (continued)

* Fair value of the investments in the common collective trust funds has been estimated using the net asset value of the investment. The common collective trusts listed in the above charts are redeemed on a daily basis. The Federated Capital Preservation Fund allows participants to make withdrawals for various reasons but may require up to twelve months notice. Additionally, there are no unfunded commitments.

(7) Related party transactions

Certain Plan investments are shares of mutual funds managed by Bank of America. Bank of America is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the plan for the investment management services are included in net appreciation in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the third party administrator of \$59,052 for the year ended December 31, 2012 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the plan's operations.

(8) Plan termination

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

(9) Excess contributions refundable

Contributions received from participants for 2012 are net of payments of \$106,766 made in March 2013 to certain active participants to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. At December 31, 2012 and 2011, \$106,766 and \$110,446 respectively, have been included in the plan's statements of net assets available for benefits as excess contributions refundable.

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(10) Reconciliation of financial statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	December 31,	
	2012	2011
Net assets available for benefits per the financial statements	\$ 146,760,034	\$ 137,524,050
Adjustment from contract value to fair value for fully-benefit responsive investment contracts	897,473	1,156,091
Net assets available for benefits per Schedule H of the Form 5500	<u>\$ 147,657,507</u>	<u>\$ 138,680,141</u>

The following is a reconciliation of the net increase per the financial statements for the year ended December 31, 2012 to Form 5500:

	Year Ended December 31, 2012
Net increase per the financial statements	\$ 9,235,984
Change in adjustment from fair value to contract value for fully-benefit responsive investment contracts from December 31, 2011 to December 31, 2012	(258,618)
Net increase per Schedule H of the Form 5500	<u>\$ 8,977,366</u>

(11) Tax status

The Internal Revenue Service (IRS) has determined and informed the Company by letter dated March 10, 2011, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax 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

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

(11) Tax status (continued)

progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

(12) Risks and uncertainties

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

(13) Subsequent events

The Plan has evaluated subsequent events through August 6, 2013, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

LORD & TAYLOR 401(k) RETIREMENT SAVINGS PLAN

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2012

EIN: 20-5344981
Plan Number: 001

(a)	(b)	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
Identity of issue, borrower, lessor, or similar party				
Federated Capital Preservation Fund (ISP)		Collective Trust	(1)	\$ 51,832,334
SSGA S&P 500 Index Fund CL D		Collective Trust	(1)	29,100,222
Dreyfus Bond Market Index Fund		Mutual Fund	(1)	15,540,069
SSGA Russell Small Cap CL D		Collective Trust	(1)	11,806,825
SSGA International Index CL D		Collective Trust	(1)	10,762,413
Invesco Equity & Income Fund		Mutual Fund	(1)	7,821,086
BlackRock Global Allocation Fund		Mutual Fund	(1)	2,165,540
Alliance Bernstein 2020 Ret Strategy Fund		Mutual Fund	(1)	1,930,908
Alliance Bernstein 2015 Ret Strategy Fund		Mutual Fund	(1)	1,806,224
Alliance Bernstein 2030 Ret Strategy Fund		Mutual Fund	(1)	1,684,715
Alliance Bernstein 2025 Ret Strategy Fund		Mutual Fund	(1)	1,532,063
BlackRock Inflation Protected Bond Portfolio		Mutual Fund	(1)	1,171,466
Alliance Bernstein 2050 Ret Strategy Fund		Mutual Fund	(1)	1,097,989
Alliance Bernstein 2040 Ret Strategy Fund		Mutual Fund	(1)	967,354
Lord Abbett High Yield Fund, Class I		Mutual Fund	(1)	898,491
Alliance Bernstein 2035 Ret Strategy Fund		Mutual Fund	(1)	894,824
Alliance Bernstein 2045 Ret Strategy Fund		Mutual Fund	(1)	741,530
Templeton Global Bond Fund, Advisor Class		Mutual Fund	(1)	696,011
Alliance Bernstein 2010 Ret Strategy Fund		Mutual Fund	(1)	341,116
Alliance Bernstein 2005 Ret Strategy Fund		Mutual Fund	(1)	242,275
Interest-bearing Cash			(1)	90,363
Alliance Bernstein 2055 Ret Strategy Fund		Mutual Fund	(1)	82,281
Pending Settlement Fund			(1)	12,479
				<u>143,218,578</u>
* Participant Loans		Interest rates ranging from 4.25% - 9.25%	-	<u>2,975,632</u>
				<u><u>\$ 146,194,210</u></u>

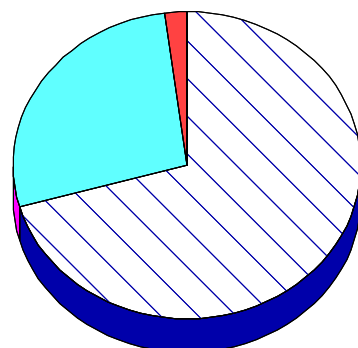
* Party-in-interest as defined by ERISA

(1) - Cost information may be omitted as Plan assets are participant-directed.

STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2012 - 12/31/2012

LORD & TAYLOR 401(K) RETIREMENT
SAVINGS PLAN
CONSOLIDATION

ALLOCATION OF PLAN ASSETS



70.62% COMMON / COLLECTIVE TRUSTS	27.26% MUTUAL FUNDS
2.05% LOANS	0.00% PENDING SETTLEMENT FUNDS
0.00% UNINVESTED CASH	0.00% ACCRUED INCOME
0.06% CASH	

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
<u>COMMON / COLLECTIVE TRUSTS</u>					
FEDERATED CAPITAL PRES CL ISP	5,093,486.0538	10.000	50,934,863.01	50,934,860.54	35.06%
SSGA S&P 500 INDEX FUND CL D	2,300,776.5937	12.648	28,161,085.30	29,100,222.36	20.03%
SSGA INTERNATIONAL INDEX CL D	1,032,266.7314	10.426	10,069,205.11	10,762,412.94	7.41%
SSGA RUSSELL SMALL CAP CL D	1,048,191.1423	11.264	11,418,391.06	11,806,825.03	8.13%
TOTAL COMMON / COLLECTIVE TRUSTS			100,583,544.48	102,604,320.87	70.62%
<u>MUTUAL FUNDS</u>					
ALLIANCEBERNSTEIN 2030 RET STR	164,683.7588	10.230	1,600,093.94	1,684,714.85	1.16%
DREYFUS BOND MARKET INDEX BASI	1,408,891.1104	11.030	14,605,671.00	15,540,068.95	10.70%
ALLIANCEBERNSTEIN 2015 RETIRMN	173,675.3832	10.400	1,819,940.65	1,806,223.99	1.24%
INVESCO EQUITY AND INCOME R5	851,043.1010	9.190	7,134,580.95	7,821,086.10	5.38%

Balances include the effect of pending trades

STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2012 - 12/31/2012

LORD & TAYLOR 401(K) RETIREMENT
SAVINGS PLAN
CONSOLIDATION

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
ALLIANCEBERNSTEIN 2005 RET STR	23,544.6953	10.290	234,175.59	242,274.91	0.17%
LORD ABBETT HIGH YIELD FUND	114,021.7389	7.880	883,762.98	898,491.30	0.62%
ALLIANCEBERNSTEIN 2010 RET STR	33,053.8614	10.320	346,134.80	341,115.85	0.23%
BLACKROCK INFL PROT INST	97,056.0333	12.070	1,145,992.31	1,171,466.32	0.81%
ALLIANCEBERNSTEIN 2020 RET STR	188,749.5374	10.230	1,845,282.12	1,930,907.77	1.33%
ALLIANCEBERNSTEIN 2025 RET STR	148,312.0240	10.330	1,482,031.64	1,532,063.21	1.05%
ALLIANCEBERNSTEIN 2035 RET STR	87,556.1975	10.220	850,573.67	894,824.34	0.62%
ALLIANCEBERNSTEIN 2040 RET STR	92,569.7747	10.450	915,417.90	967,354.15	0.67%
ALLIANCEBERNSTEIN 2045 RET STR	72,699.0059	10.200	686,669.07	741,529.86	0.51%
ALLIANCEBERNSTEIN 2050 RETIRE	139,338.7406	7.880	1,096,188.66	1,097,989.28	0.76%
ALLIANCEBERNSTEIN 2055 RETIRE	10,310.8687	7.980	81,469.74	82,280.73	0.06%
TEMPLETON GLOBAL BOND FD ADV	52,174.7451	13.340	698,882.97	696,011.10	0.48%
BLACKROCK GLOBAL ALLOC I	109,205.2456	19.830	2,107,952.20	2,165,540.02	1.49%
TOTAL MUTUAL FUNDS			37,534,820.19	39,613,942.73	27.26%
<u>LOANS</u>					
LOAN FUND	2,975,631.6600	1.000	2,975,631.66	2,975,631.66	2.05%
<u>PENDING SETTLEMENT FUNDS</u>					
PENDING SETTLEMENT FUND	5,276.0300	1.000	5,276.03	5,276.03	0.00%
INVESTMENT TOTAL			141,099,272.36	145,199,171.29	99.93%
UNINVESTED CASH			1.61	1.61	0.00%

Balances include the effect of pending trades

STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2012 - 12/31/2012

LORD & TAYLOR 401(K) RETIREMENT
SAVINGS PLAN
CONSOLIDATION

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
ACCRUED INCOME			7,201.24	7,201.24	0.00%
CASH			90,362.72	90,362.72	0.06%
TOTAL ASSETS			141,196,837.93	145,296,736.86	100.00%

The balance in the cash fund may be temporarily invested in the BIF Money Fund. Additional amounts not reported as cash may also be invested in the BIF Money Fund pending settlement of trades.

Balances include the effect of pending trades