Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for: [ ] a multiemployer plan; [X] 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: [X] Form 5558; [ ] automatic extension; [ ] the DFVC program; [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
CHANDLER MAY, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 03/01/2006

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

CHANDLER MAY, INC.

133 WEST PARK LOOP
HUNTSVILLE, AL 35806

2b Employer Identification Number (EIN) 20-3753931

2c Sponsor's telephone number 256-319-7229

2d Business code (see instructions) 336410

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.	08/26/2013	MARIA F. HOWELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/26/2013	MARIA F. HOWELL
	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

CHANDLER MAY, INC.

133 WEST PARK LOOP
HUNTSVILLE, AL 35806

3b Administrator's EIN
20-3753931

3c Administrator's telephone number
256-319-7229

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**	189
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**	155
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	40
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	195
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	195
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	152
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	14
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:
2F 3D 2T 2E 2G 2J 2K

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
CHANDLER MAY, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CHANDLER MAY, INC.

D Employer Identification Number (EIN)
20-3753931

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

1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
06-1050034	93629	39644	195	01/01/2012	12/31/2012

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

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	10597

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

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

NFP INSURANCE SERVICES INC
1250 CAPITAL OF TEXAS HIGHWAY SOUTH
BUILDING 2 SUITE 125
AUSTIN, TX 78746-0000

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
	10597	SERVICES TO INSURER OR PLAN	4

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	668497
5	Current value of plan's interest under this contract in separate accounts at year end	5	2905253

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

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

(3) ☐ other (specify) ▶

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

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

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

(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year			7b	531919
c	Additions: (1) Contributions deposited during the year	7c(1)	143300		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	7525		
	(4) Transferred from separate account	7c(4)	150458		
	(5) Other (specify below)	7c(5)	2496		
	▶ LOAN REPAYMENTS				
	(6) Total additions			7c(6)	303779
d	Total of balance and additions (add lines **7b** and **7c(6)**).			7d	835698
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	118651		
	(2) Administration charge made by carrier	7e(2)	84		
	(3) Transferred to separate account	7e(3)	35220		
	(4) Other (specify below)	7e(4)	13246		
	▶ LOAN INITIATIONS				
	(5) Total deductions			7e(5)	167201
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	668497

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

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

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

m ☐ Other (specify) ▶

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
CHANDLER MAY, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CHANDLER MAY, INC.

D Employer Identification Number (EIN)
20-3753931

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

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

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64	NONE	1316	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

NFP SECURITIES INC

74-2794194

(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?
33 71	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	282	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	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.
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	120.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2012 TO 8/31/2012 GUARANTEED INCOME FUND

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	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.
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	100.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 9/1/2012 TO 12/31/2012 GUARANTEED INCOME FUND

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
CHANDLER MAY, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
20-3753931

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: LARGE CAP GROW/JP MORGAN

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-141	P	437423

a Name of MTIA, CCT, PSA, or 103-12 IE: LGE CP VAL/LSV ASSET MGMT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-318	P	461436

a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP BLEND/BATTERYMATC

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-143	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: CORE PLUS BOND/PIMCO

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-299	P	335318

a Name of MTIA, CCT, PSA, or 103-12 IE: HI YIELD/CAYWOOD-SCHOLL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-300	P	31126

a Name of MTIA, CCT, PSA, or 103-12 IE: SM CAP GROWTH/BOSTONCO

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-319	P	127081

a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP BLEND/WHV FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-254	P	19363

a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP GR/TIMESSQUARE FD

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-186	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 196565

a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE/INTEGRITY

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-439	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 132869

a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP VALUE/CRM FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-440	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 140287

a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OFII GLOBAL STRATEGY

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-308	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 50926

a Name of MTIA, CCT, PSA, or 103-12 IE: WAD & REED ADV SCI & TECH

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-394	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 68740

a Name of MTIA, CCT, PSA, or 103-12 IE: BAL/WELLING MGMT PIM FD

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-296	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 45749

a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-123	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27589

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP BLEND/MFS

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-177	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 47274

a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL BLEND/AQR

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-125	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 742025

a Name of MTIA, CCT, PSA, or 103-12 IE: QMA MID CP QUANT COR EQ

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-538	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 41482

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

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
CHANDLER MAY, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CHANDLER MAY, INC.

D Employer Identification Number (EIN)
20-3753931

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	6908	48007
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	1956007	2905253
(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)	60475	88509
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	531919	668497
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2555309	3710266
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2555309	3710266

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)	259856	
	(B) Participants	2a(1)(B)	684019	
	(C) Others (including rollovers)	2a(1)(C)	15880	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		959755
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	1097	
	(F) Other	2b(1)(F)	7525	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8622
	(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)	1801	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1801
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		337665
(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)		6754
c Other income	2c		40
d Total income. Add all **income** amounts in column (b) and enter total	2d		1314637
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	158255	
(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)		158255
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)	1425	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1425
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		159680
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1154957
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: ANGLIN REICHMANN SNELLGROVE & ARMST **(2)** EIN: 63-1262841

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		23046
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

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

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

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

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

Part V Trust Information (optional)

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
CHANDLER MAY, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CHANDLER MAY, INC.

D Employer Identification Number (EIN)
20-3753931

Part I Distributions

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

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

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

EIN(s): 22-1211670

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a	The current year	**14a**	
b	The plan year immediately preceding the current plan year	**14b**	
c	The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a	The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b	The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a	Enter the number of employers who withdrew during the preceding plan year	**16a**	
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

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

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

CHANDLER MAY, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

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Anglin·Reichmann·Snellgrove & Armstrong P.C.
Certified Public Accountants & Business Advisors
MEMBER: American Institute of Certified Public Accountants • AICPA Private Companies Practice Section • Employee Benefit Plan and Governmental Audit Quality Centers • Alabama Society of Certified Public Accountants • CPAmerica, International

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Chandler May, Inc. 401(k) 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 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 Notes 4, 5, and 6, which was certified by Prudential Bank & Trust, FSB (Prudential), the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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 Delinquent Participant Contributions for the year ended December 31, 2012 and Schedule of Assets (Held at End of Year) as of December 31, 2012 are 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 are presented for the purpose of additional analysis and are 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 these supplemental schedules.

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 schedules, 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.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

August 20, 2013

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 AND 2011

Assets

	2012	2011
Participant-directed investments, at fair value:		
Guaranteed annuity contract	$ 668,497	$ 531,919
Pooled separate accounts	2,905,253	1,956,007
Shares of registered investment companies	88,509	60,475
Total Investments, at Fair Value	3,662,259	2,548,401
Receivables:		
Employer contributions	267,229	254,106
Participant contributions	9,573	-
Notes receivable from participants	48,007	6,908
Total Receivables	324,809	261,014
Total Assets	3,987,068	2,809,415

Liabilities

Total Liabilities	-	-
Net Assets Available for Benefits, at Fair Value	3,987,068	2,809,415
Adjustment from fair value to contract value for fully benefit responsive annuity contract	-	-
Net Assets Available for Benefits	$ 3,987,068	$ 2,809,415

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2012

Additions to Net Assets Attributed to:	
Investment income:	
Net appreciation in value of investments	$ 344,419
Dividends	1,801
Other income	40
Interest on guaranteed annuity contract	7,525
Total Investment Income	353,785
Interest income on notes receivable from participants	1,097
Participant-directed contributions:	
Employer	272,978
Participant salary deferrals	693,593
Participant rollovers	15,880
Total Contributions	982,451
Total Additions to Net Assets	1,337,333
Deductions from Net Assets Attributed to:	
Benefits paid to participants	158,255
Administrative expenses	1,425
Total Deductions from Net Assets	159,680
Net Increase in Net Assets	1,177,653
Net Assets Available for Benefits:	
Beginning of Year	2,809,415
End of Year	$ 3,987,068

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

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one (21) years of age.

Contributions

Participant Salary Deferral - Participants may contribute up to 75% of their before tax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service. Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Employer Match - Each plan year the Company may make discretionary matching contributions based on a percentage of the participant's before tax contributions. For the year ended December 31, 2012, the Company's matching contribution was equal to fifty percent (50%) of the participants' contributions up to six percent (6%) of the participants' compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during 2012.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investment options offered by the Plan. As of December 31, 2012, the Plan offered a fully benefit responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation 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.

Note 1 - Description of Plan - Continued

Vesting

Participants are immediately vested in their voluntary contributions and actual earnings thereon. Participants vest in the Company's matching and discretionary profit sharing contributions, plus actual earnings thereon over a graded six (6) year period as described in the Plan document.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator at the time of issuance. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five (5) years. The maximum number of loans a participant may have outstanding at any time is one (1).

Payment of Benefits

Benefits commence upon one of several dates: normal retirement, late retirement, date of disability, death, or upon termination of employment. Benefits are distributed by means of either direct rollover, lump sum distributions, or by one of various conventional annuity options.

Forfeited Accounts

As of December 31, 2012 and 2011, forfeited non-vested accounts totaled $30,858 and $9,829, respectively. Forfeited non-vested accounts are first assessed against Plan expenses, and then are used to reduce employer contributions. There were no forfeitures assessed against Plan expenses for the year ended December 31, 2012. The amount of forfeitures used to reduce employer contributions was $34,422 for the year ended December 31, 2012.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using 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 the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the guaranteed annuity contract as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Note 2 - Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments, except the guaranteed annuity contract, are presented at fair value, based on the quoted market prices of the underlying securities within each fund at December 31, 2012 and 2011. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings, less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value.

Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains or 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 any 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.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable and distributions from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Reclassification

Certain reclassifications have been made to the 2011 financial statement presentation to correspond to the current year's format. Total net assets available for benefits and changes in net assets available for benefits are unchanged due to these reclassifications.

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payments or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

The following presents investments that represent 5 percent or more of the Plan's net assets as of December 31:

	2012
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

	2011
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919

During the year ended December 31, 2012, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by $344,419 as follows:

Pooled separate accounts	$ 338,998
Shares of registered investment companies	5,421
Total	$ 344,419

Note 5 - Fair Value Measurements (Unaudited)

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

Note 5 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Plan's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 and level 3 assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

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

	Level 1	Level 2	Level 3	Fair Value
December 31, 2012				
Shares of registered investment companies				
Fixed income	$ 48,496	$ -	$ -	$ 48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts:				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Guaranteed annuity contract	-	-	668,497	668,497
Total Investment Assets at Fair Value	$ 88,509	$ 2,905,253	$ 668,497	$ 3,662,259

Note 5 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
December 31, 2011				
Shares of registered investment companies				
Fixed income	$ 45,550	$ -	$ -	$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total shares of registered investment companies	60,475	-	-	60,475
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total pooled separate accounts	-	1,956,007	-	1,956,007
Guaranteed annuity contract	-	-	531,919	531,919
Total Investment Assets at Fair Value	$ 60,475	$ 1,956,007	$ 531,919	$ 2,548,401

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2012:

	Level 3 Assets: Guaranteed Annuity Contract
Balance, beginning of year	$ 531,919
Realized gains/(losses)	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	-
Purchases	303,779
Sales	(167,201)
Transfers in and/or out of level 3	-
Balance, end of year	$ 668,497
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ -

Note 5 - Fair Value Measurements (Unaudited) - Continued

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in value of investments in the statement of changes in net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit responsive guaranteed annuity contract with Prudential. Under the group annuity insurance contract that supports this product, participants may ordinarily direct permitted withdrawal or transfers of all or a portion of their account balance at contract value within reasonable timeframes. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The contract is effected directly between the Plan Sponsor (or their trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. Given these provisions, management considers this contract to be benefit responsive.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue. This contract's operation is different than many other evergreen group annuity products in the market by virtue of the fact that a market value (fair value) adjustment does not apply upon a discontinuance.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and, therefore, there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting.

When establishing interest crediting rates for this product, Prudential considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time.

There are not any events that allow the issuer to terminate the contract and which require the Plan Sponsor to settle at an amount different than contract value paid either within 90 days or over time.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

Average Yields:

	2012	2011
Based on annualized earnings (1)	1.30%	1.50%
Based on interest rate credited to participants (2)	1.30%	1.50%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential 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 investment, 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 $1,425 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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. See Note 12 for information concerning the subsequent termination of the Plan.

Note 9 - Income Tax Status

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

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or 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 prior to 2009.

Note 10 - Risks and Uncertainties

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

Note 11 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to Schedule H of Form 5500:

	2012	2011
Net assets available for benefits per the financial statements	$ 3,987,068	$ 2,809,415
Employer contributions receivable	(267,229)	(254,106)
Participant contributions receivable	(9,573)	-
Net assets available for benefits per the Form 5500	$ 3,710,266	$ 2,555,309

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

Net increase in net assets per the financial statements	$ 1,177,653
Add: prior year employer contributions receivable	254,106
Less: current year employer contributions receivable	(267,229)
Less: current year participant contributions receivable	(9,573)
Net increase in net assets per the Form 5500	$ 1,154,957

Note 12 - Subsequent Events

As discussed in Note 8, 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. Management of Chandler May, Inc. 401(k) Plan notified the Trustee on March 1, 2013 of its intent to terminate the Plan effective October 1, 2013. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after December 31, 2012.

Management has evaluated subsequent events through August 20, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

Participant Contributions Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
$ 23,046				
Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	$ -	$ 23,046	$ -	$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
	American Funds	Capital Income Builder R3		$ 8,021
	Goldman Sachs	Global Income Fund A		48,496
*	Prudential Retirement	High Yield / Caywood-Scholl		31,126
*	Prudential Retirement	Core Plus Bond / PIMCO Fund		335,318
*	Prudential Retirement	Bal/Welling Mgmt Pim Fd		45,749
*	Prudential Retirement	Large Cap Value / LSV Fund		461,436
*	Prudential Retirement	Large Cap Grow / JP Morgan		437,423
*	Prudential Retirement	Large Cap Blend / MFS		47,274
*	Prudential Retirement	Dryden S&P 500 Index Fund		27,589
*	Prudential Retirement	Mid Cap Growth / Timessquare Fund		196,565
*	Prudential Retirement	Mid Cap Value / CRM Fund		140,287
*	Prudential Retirement	QMA Mid Cap Quant Cor EQ		41,482
*	Prudential Retirement	Small Cap Value / Integrity Fund		132,869
*	Prudential Retirement	Small Cap Blend / WHV Fund		19,363
*	Prudential Retirement	Small Cap Growth / Boston Co.		127,081
*	Prudential Retirement	SA/OFII Global Strategy		50,926
*	Prudential Retirement	International Blend / AQR		742,024
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		68,740
*	Prudential Retirement	Guaranteed Income Fund		668,497
	Templeton	Developing Markets		31,993
*	Participant Loans	Interest rates ranging from 3.25% to 5.00%, maturities up to 5 years	-0-	48,007

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed

CHANDLER MAY, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

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Anglin·Reichmann·Snellgrove & Armstrong P.C.
Certified Public Accountants & Business Advisors
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Chandler May, Inc. 401(k) 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 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 Notes 4, 5, and 6, which was certified by Prudential Bank & Trust, FSB (Prudential), the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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 Delinquent Participant Contributions for the year ended December 31, 2012 and Schedule of Assets (Held at End of Year) as of December 31, 2012 are 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 are presented for the purpose of additional analysis and are 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 these supplemental schedules.

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 schedules, 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.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

August 20, 2013

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 AND 2011

Assets

	2012	2011
Participant-directed investments, at fair value:		
Guaranteed annuity contract	$ 668,497	$ 531,919
Pooled separate accounts	2,905,253	1,956,007
Shares of registered investment companies	88,509	60,475
Total Investments, at Fair Value	3,662,259	2,548,401
Receivables:		
Employer contributions	267,229	254,106
Participant contributions	9,573	-
Notes receivable from participants	48,007	6,908
Total Receivables	324,809	261,014
Total Assets	3,987,068	2,809,415

Liabilities

Total Liabilities	-	-
Net Assets Available for Benefits, at Fair Value	3,987,068	2,809,415
Adjustment from fair value to contract value for fully benefit responsive annuity contract	-	-
Net Assets Available for Benefits	$ 3,987,068	$ 2,809,415

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2012

Additions to Net Assets Attributed to:	
Investment income:	
Net appreciation in value of investments	$ 344,419
Dividends	1,801
Other income	40
Interest on guaranteed annuity contract	7,525
Total Investment Income	353,785
Interest income on notes receivable from participants	1,097
Participant-directed contributions:	
Employer	272,978
Participant salary deferrals	693,593
Participant rollovers	15,880
Total Contributions	982,451
Total Additions to Net Assets	1,337,333
Deductions from Net Assets Attributed to:	
Benefits paid to participants	158,255
Administrative expenses	1,425
Total Deductions from Net Assets	159,680
Net Increase in Net Assets	1,177,653
Net Assets Available for Benefits:	
Beginning of Year	2,809,415
End of Year	$ 3,987,068

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

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one (21) years of age.

Contributions

Participant Salary Deferral - Participants may contribute up to 75% of their before tax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service. Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Employer Match - Each plan year the Company may make discretionary matching contributions based on a percentage of the participant's before tax contributions. For the year ended December 31, 2012, the Company's matching contribution was equal to fifty percent (50%) of the participants' contributions up to six percent (6%) of the participants' compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during 2012.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investment options offered by the Plan. As of December 31, 2012, the Plan offered a fully benefit responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation 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.

Note 1 - Description of Plan - Continued

Vesting

Participants are immediately vested in their voluntary contributions and actual earnings thereon. Participants vest in the Company's matching and discretionary profit sharing contributions, plus actual earnings thereon over a graded six (6) year period as described in the Plan document.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator at the time of issuance. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five (5) years. The maximum number of loans a participant may have outstanding at any time is one (1).

Payment of Benefits

Benefits commence upon one of several dates: normal retirement, late retirement, date of disability, death, or upon termination of employment. Benefits are distributed by means of either direct rollover, lump sum distributions, or by one of various conventional annuity options.

Forfeited Accounts

As of December 31, 2012 and 2011, forfeited non-vested accounts totaled $30,858 and $9,829, respectively. Forfeited non-vested accounts are first assessed against Plan expenses, and then are used to reduce employer contributions. There were no forfeitures assessed against Plan expenses for the year ended December 31, 2012. The amount of forfeitures used to reduce employer contributions was $34,422 for the year ended December 31, 2012.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using 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 the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the guaranteed annuity contract as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Note 2 - Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments, except the guaranteed annuity contract, are presented at fair value, based on the quoted market prices of the underlying securities within each fund at December 31, 2012 and 2011. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings, less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value.

Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains or 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 any 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.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable and distributions from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Reclassification

Certain reclassifications have been made to the 2011 financial statement presentation to correspond to the current year's format. Total net assets available for benefits and changes in net assets available for benefits are unchanged due to these reclassifications.

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payments or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

The following presents investments that represent 5 percent or more of the Plan's net assets as of December 31:

	2012
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

	2011
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919

During the year ended December 31, 2012, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by $344,419 as follows:

Pooled separate accounts	$ 338,998
Shares of registered investment companies	5,421
Total	$ 344,419

Note 5 - Fair Value Measurements (Unaudited)

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

Note 5 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Plan's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 and level 3 assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

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

	Level 1	Level 2	Level 3	Fair Value
December 31, 2012				
Shares of registered investment companies				
Fixed income	$ 48,496	$ -	$ -	$ 48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts:				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Guaranteed annuity contract	-	-	668,497	668,497
Total Investment Assets at Fair Value	$ 88,509	$ 2,905,253	$ 668,497	$ 3,662,259

Note 5 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
December 31, 2011				
Shares of registered investment companies				
Fixed income	$ 45,550	$ -	$ -	$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total shares of registered investment companies	60,475	-	-	60,475
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total pooled separate accounts	-	1,956,007	-	1,956,007
Guaranteed annuity contract	-	-	531,919	531,919
Total Investment Assets at Fair Value	$ 60,475	$ 1,956,007	$ 531,919	$ 2,548,401

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2012:

	Level 3 Assets: Guaranteed Annuity Contract
Balance, beginning of year	$ 531,919
Realized gains/(losses)	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	-
Purchases	303,779
Sales	(167,201)
Transfers in and/or out of level 3	-
Balance, end of year	$ 668,497
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ -

Note 5 - Fair Value Measurements (Unaudited) - Continued

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in value of investments in the statement of changes in net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit responsive guaranteed annuity contract with Prudential. Under the group annuity insurance contract that supports this product, participants may ordinarily direct permitted withdrawal or transfers of all or a portion of their account balance at contract value within reasonable timeframes. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The contract is effected directly between the Plan Sponsor (or their trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. Given these provisions, management considers this contract to be benefit responsive.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue. This contract's operation is different than many other evergreen group annuity products in the market by virtue of the fact that a market value (fair value) adjustment does not apply upon a discontinuance.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and, therefore, there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting.

When establishing interest crediting rates for this product, Prudential considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time.

There are not any events that allow the issuer to terminate the contract and which require the Plan Sponsor to settle at an amount different than contract value paid either within 90 days or over time.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

Average Yields:

	2012	2011
Based on annualized earnings (1)	1.30%	1.50%
Based on interest rate credited to participants (2)	1.30%	1.50%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential 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 investment, 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 $1,425 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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. See Note 12 for information concerning the subsequent termination of the Plan.

Note 9 - Income Tax Status

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

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or 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 prior to 2009.

Note 10 - Risks and Uncertainties

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

Note 11 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to Schedule H of Form 5500:

	2012	2011
Net assets available for benefits per the financial statements	$ 3,987,068	$ 2,809,415
Employer contributions receivable	(267,229)	(254,106)
Participant contributions receivable	(9,573)	-
Net assets available for benefits per the Form 5500	$ 3,710,266	$ 2,555,309

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

Net increase in net assets per the financial statements	$ 1,177,653
Add: prior year employer contributions receivable	254,106
Less: current year employer contributions receivable	(267,229)
Less: current year participant contributions receivable	(9,573)
Net increase in net assets per the Form 5500	$ 1,154,957

Note 12 - Subsequent Events

As discussed in Note 8, 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. Management of Chandler May, Inc. 401(k) Plan notified the Trustee on March 1, 2013 of its intent to terminate the Plan effective October 1, 2013. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after December 31, 2012.

Management has evaluated subsequent events through August 20, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

Participant Contributions Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
$ 23,046				
Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	$ -	$ 23,046	$ -	$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
	American Funds	Capital Income Builder R3		$ 8,021
	Goldman Sachs	Global Income Fund A		48,496
*	Prudential Retirement	High Yield / Caywood-Scholl		31,126
*	Prudential Retirement	Core Plus Bond / PIMCO Fund		335,318
*	Prudential Retirement	Bal/Welling Mgmt Pim Fd		45,749
*	Prudential Retirement	Large Cap Value / LSV Fund		461,436
*	Prudential Retirement	Large Cap Grow / JP Morgan		437,423
*	Prudential Retirement	Large Cap Blend / MFS		47,274
*	Prudential Retirement	Dryden S&P 500 Index Fund		27,589
*	Prudential Retirement	Mid Cap Growth / Timessquare Fund		196,565
*	Prudential Retirement	Mid Cap Value / CRM Fund		140,287
*	Prudential Retirement	QMA Mid Cap Quant Cor EQ		41,482
*	Prudential Retirement	Small Cap Value / Integrity Fund		132,869
*	Prudential Retirement	Small Cap Blend / WHV Fund		19,363
*	Prudential Retirement	Small Cap Growth / Boston Co.		127,081
*	Prudential Retirement	SA/OFII Global Strategy		50,926
*	Prudential Retirement	International Blend / AQR		742,024
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		68,740
*	Prudential Retirement	Guaranteed Income Fund		668,497
	Templeton	Developing Markets		31,993
*	Participant Loans	Interest rates ranging from 3.25% to 5.00%, maturities up to 5 years	-0-	48,007

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed

CHANDLER MAY, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

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Anglin·Reichmann·Snellgrove & Armstrong P.C.
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Chandler May, Inc. 401(k) 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 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 Notes 4, 5, and 6, which was certified by Prudential Bank & Trust, FSB (Prudential), the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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 Delinquent Participant Contributions for the year ended December 31, 2012 and Schedule of Assets (Held at End of Year) as of December 31, 2012 are 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 are presented for the purpose of additional analysis and are 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 these supplemental schedules.

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 schedules, 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.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

August 20, 2013

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 AND 2011

Assets

	2012	2011
Participant-directed investments, at fair value:		
Guaranteed annuity contract	$ 668,497	$ 531,919
Pooled separate accounts	2,905,253	1,956,007
Shares of registered investment companies	88,509	60,475
Total Investments, at Fair Value	3,662,259	2,548,401
Receivables:		
Employer contributions	267,229	254,106
Participant contributions	9,573	-
Notes receivable from participants	48,007	6,908
Total Receivables	324,809	261,014
Total Assets	3,987,068	2,809,415

Liabilities

Total Liabilities	-	-
Net Assets Available for Benefits, at Fair Value	3,987,068	2,809,415
Adjustment from fair value to contract value for fully benefit responsive annuity contract	-	-
Net Assets Available for Benefits	$ 3,987,068	$ 2,809,415

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2012

Additions to Net Assets Attributed to:	
Investment income:	
Net appreciation in value of investments	$ 344,419
Dividends	1,801
Other income	40
Interest on guaranteed annuity contract	7,525
Total Investment Income	353,785
Interest income on notes receivable from participants	1,097
Participant-directed contributions:	
Employer	272,978
Participant salary deferrals	693,593
Participant rollovers	15,880
Total Contributions	982,451
Total Additions to Net Assets	1,337,333
Deductions from Net Assets Attributed to:	
Benefits paid to participants	158,255
Administrative expenses	1,425
Total Deductions from Net Assets	159,680
Net Increase in Net Assets	1,177,653
Net Assets Available for Benefits:	
Beginning of Year	2,809,415
End of Year	$ 3,987,068

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

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Effective January 1, 2011, the Plan was restated to add an adopting employer, AME Unmanned Air Systems (a subsidiary of Chandler May, Inc.). As a result of this restatement, employees of AME Unmanned Air Systems are eligible to participate in the Plan upon meeting the eligibility provisions described below.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained twenty-one (21) years of age.

Contributions

Participant Salary Deferral - Participants may contribute up to 75% of their before tax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service. Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

Employer Match - Each plan year the Company may make discretionary matching contributions based on a percentage of the participant's before tax contributions. For the year ended December 31, 2012, the Company's matching contribution was equal to fifty percent (50%) of the participants' contributions up to six percent (6%) of the participants' compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during 2012.

Investment Options

Participants direct the investment of their contributions as well as Company contributions into various investment options offered by the Plan. As of December 31, 2012, the Plan offered a fully benefit responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation 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.

Note 1 - Description of Plan - Continued

Vesting

Participants are immediately vested in their voluntary contributions and actual earnings thereon. Participants vest in the Company's matching and discretionary profit sharing contributions, plus actual earnings thereon over a graded six (6) year period as described in the Plan document.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator at the time of issuance. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five (5) years. The maximum number of loans a participant may have outstanding at any time is one (1).

Payment of Benefits

Benefits commence upon one of several dates: normal retirement, late retirement, date of disability, death, or upon termination of employment. Benefits are distributed by means of either direct rollover, lump sum distributions, or by one of various conventional annuity options.

Forfeited Accounts

As of December 31, 2012 and 2011, forfeited non-vested accounts totaled $30,858 and $9,829, respectively. Forfeited non-vested accounts are first assessed against Plan expenses, and then are used to reduce employer contributions. There were no forfeitures assessed against Plan expenses for the year ended December 31, 2012. The amount of forfeitures used to reduce employer contributions was $34,422 for the year ended December 31, 2012.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using 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 the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the guaranteed annuity contract as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Note 2 - Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments, except the guaranteed annuity contract, are presented at fair value, based on the quoted market prices of the underlying securities within each fund at December 31, 2012 and 2011. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings, less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value.

Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains or 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 any 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.

Distribution of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable and distributions from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Reclassification

Certain reclassifications have been made to the 2011 financial statement presentation to correspond to the current year's format. Total net assets available for benefits and changes in net assets available for benefits are unchanged due to these reclassifications.

Note 3 - Department of Labor Limited-Scope Audit

The Department of Labor (DOL) allows a limited-scope audit, in which no audit procedures are applied to the information on plan investments and related transactions that is prepared and certified to as being both complete and accurate by a bank, similar institution, or insurance company holding the assets. The DOL requires that the bank, similar institution, or insurance company be regulated and supervised and subject to periodic examinations by a state or federal agency. The DOL limited-scope audit applies only to investment information and does not extend to benefit payments or other information such as contributions, benefit obligations, and participant data.

Note 4 - Investments (Unaudited)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

The following presents investments that represent 5 percent or more of the Plan's net assets as of December 31:

	2012
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

	2011
Prudential Retirement Core Plus Bond/PIMCO Fund	$ 279,452
Prudential Retirement Large Cap Value / LSV Fund	295,209
Prudential Retirement Large Cap Grow / JP Morgan	287,936
Prudential Retirement International Blend / AQR	471,688
Prudential Retirement Guaranteed Income Fund	531,919

During the year ended December 31, 2012, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by $344,419 as follows:

Pooled separate accounts	$ 338,998
Shares of registered investment companies	5,421
Total	$ 344,419

Note 5 - Fair Value Measurements (Unaudited)

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

Note 5 - Fair Value Measurements (Unaudited) - Continued

The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1 - Quoted prices in active markets for identical securities;

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);

Level 3 - Significant unobservable inputs (including the Plan's own assumptions used to determine the fair value of investments).

Following is a description of the valuation methodologies used for level 2 and level 3 assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Pooled separate accounts: Valued at fair value as determined by using commercial quotation services. Fair value includes reinvested dividend and interest income, received and accrued, realized gains and losses and unrealized gains and losses of the underlying assets.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

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

	Level 1	Level 2	Level 3	Fair Value
December 31, 2012				
Shares of registered investment companies				
Fixed income	$ 48,496	$ -	$ -	$ 48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts:				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Guaranteed annuity contract	-	-	668,497	668,497
Total Investment Assets at Fair Value	$ 88,509	$ 2,905,253	$ 668,497	$ 3,662,259

Note 5 - Fair Value Measurements (Unaudited) - Continued

	Level 1	Level 2	Level 3	Fair Value
December 31, 2011				
Shares of registered investment companies				
Fixed income	$ 45,550	$ -	$ -	$ 45,550
International stock	12,666	-	-	12,666
Balanced	2,259	-	-	2,259
Total shares of registered investment companies	60,475	-	-	60,475
Pooled separate accounts:				
Balanced	-	20,764	-	20,764
Fixed income	-	283,581	-	283,581
Global stock	-	135,175	-	135,175
International stock	-	471,688	-	471,688
Large cap stock	-	609,081	-	609,081
Mid cap stock	-	220,440	-	220,440
Small cap stock	-	174,429	-	174,429
Specialty	-	40,849	-	40,849
Total pooled separate accounts	-	1,956,007	-	1,956,007
Guaranteed annuity contract	-	-	531,919	531,919
Total Investment Assets at Fair Value	$ 60,475	$ 1,956,007	$ 531,919	$ 2,548,401

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2012:

	Level 3 Assets: Guaranteed Annuity Contract
Balance, beginning of year	$ 531,919
Realized gains/(losses)	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	-
Purchases	303,779
Sales	(167,201)
Transfers in and/or out of level 3	-
Balance, end of year	$ 668,497
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ -

Note 5 - Fair Value Measurements (Unaudited) - Continued

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in value of investments in the statement of changes in net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit responsive guaranteed annuity contract with Prudential. Under the group annuity insurance contract that supports this product, participants may ordinarily direct permitted withdrawal or transfers of all or a portion of their account balance at contract value within reasonable timeframes. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The contract is effected directly between the Plan Sponsor (or their trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. Given these provisions, management considers this contract to be benefit responsive.

The concept of a value other than contract value does not apply to this insurance company issued general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case contract value would be paid no later than 90 days from the date the sponsor provides notice to discontinue. This contract's operation is different than many other evergreen group annuity products in the market by virtue of the fact that a market value (fair value) adjustment does not apply upon a discontinuance.

There are not any specific securities in the general account that back the liabilities of this annuity contract and it would be inappropriate to look to the market value of the securities within the insurer's general account to determine a fair value. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional GIC and, therefore, there are not any known cash flows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting.

When establishing interest crediting rates for this product, Prudential considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Generally, there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time.

There are not any events that allow the issuer to terminate the contract and which require the Plan Sponsor to settle at an amount different than contract value paid either within 90 days or over time.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

Average Yields:

	2012	2011
Based on annualized earnings (1)	1.30%	1.50%
Based on interest rate credited to participants (2)	1.30%	1.50%

(1) Calculated by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

(2) Calculated by dividing the earnings credited to participants on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential 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 investment, 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 $1,425 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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. See Note 12 for information concerning the subsequent termination of the Plan.

Note 9 - Income Tax Status

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

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or 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 prior to 2009.

Note 10 - Risks and Uncertainties

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

Note 11 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to Schedule H of Form 5500:

	2012	2011
Net assets available for benefits per the financial statements	$ 3,987,068	$ 2,809,415
Employer contributions receivable	(267,229)	(254,106)
Participant contributions receivable	(9,573)	-
Net assets available for benefits per the Form 5500	$ 3,710,266	$ 2,555,309

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

Net increase in net assets per the financial statements	$ 1,177,653
Add: prior year employer contributions receivable	254,106
Less: current year employer contributions receivable	(267,229)
Less: current year participant contributions receivable	(9,573)
Net increase in net assets per the Form 5500	$ 1,154,957

Note 12 - Subsequent Events

As discussed in Note 8, 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. Management of Chandler May, Inc. 401(k) Plan notified the Trustee on March 1, 2013 of its intent to terminate the Plan effective October 1, 2013. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the ongoing plan basis to the liquidation basis for periods after December 31, 2012.

Management has evaluated subsequent events through August 20, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

Participant Contributions Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
$ 23,046				
Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	$ -	$ 23,046	$ -	$ -

CHANDLER MAY, INC. 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2012
EIN: 20-3753931; PLAN NUMBER: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost **	(e) Current Value
	American Funds	Capital Income Builder R3		$ 8,021
	Goldman Sachs	Global Income Fund A		48,496
*	Prudential Retirement	High Yield / Caywood-Scholl		31,126
*	Prudential Retirement	Core Plus Bond / PIMCO Fund		335,318
*	Prudential Retirement	Bal/Welling Mgmt Pim Fd		45,749
*	Prudential Retirement	Large Cap Value / LSV Fund		461,436
*	Prudential Retirement	Large Cap Grow / JP Morgan		437,423
*	Prudential Retirement	Large Cap Blend / MFS		47,274
*	Prudential Retirement	Dryden S&P 500 Index Fund		27,589
*	Prudential Retirement	Mid Cap Growth / Timessquare Fund		196,565
*	Prudential Retirement	Mid Cap Value / CRM Fund		140,287
*	Prudential Retirement	QMA Mid Cap Quant Cor EQ		41,482
*	Prudential Retirement	Small Cap Value / Integrity Fund		132,869
*	Prudential Retirement	Small Cap Blend / WHV Fund		19,363
*	Prudential Retirement	Small Cap Growth / Boston Co.		127,081
*	Prudential Retirement	SA/OFII Global Strategy		50,926
*	Prudential Retirement	International Blend / AQR		742,024
*	Prudential Retirement	Waddell & Reed / Adv Sci & Tech		68,740
*	Prudential Retirement	Guaranteed Income Fund		668,497
	Templeton	Developing Markets		31,993
*	Participant Loans	Interest rates ranging from 3.25% to 5.00%, maturities up to 5 years	-0-	48,007

* Represents a party-in-interest to the Plan

** Cost information has not been disclosed as all investments are participant directed