Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

1b Three-digit plan number (PN) ▶ 503

1c Effective date of plan 04/01/1985

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

FOLLETT CORPORATION

2233 WEST STREET
RIVER GROVE, IL 60171-1800

2233 WEST STREET
RIVER GROVE, IL 60171-1800

2b Employer Identification Number (EIN)
36-2369161

2c Sponsor's telephone number
708-583-2000

2d Business code (see instructions)
424920

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.	09/17/2013	RICHARD ELLSPERMANN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/17/2013	RICHARD ELLSPERMANN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	9927
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**	9559
b Retired or separated participants receiving benefits	**6b**	37
c Other retired or separated participants entitled to future benefits	**6c**	
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	9596
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	
f Total. Add lines **6d** and **6e**	**6f**	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	
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:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
4A 4B 4D 4E 4F 4H 4L

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[X] Insurance	**(1)**	[X] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[ ] Trust	**(3)**	[ ] Trust
(4)	[X] General assets of the sponsor	**(4)**	[X] General assets of the sponsor

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

a Pension Schedules

(1) [ ] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [X] 11 **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [ ] **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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

ANTHEM BLUE CROSS BLUE SHIELD, INC

(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
54-1958839	28207	003320550	9559	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	0

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

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

(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

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	(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] 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** [X] 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**	36812051
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

CIGNA

(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
06-0303370	62308	3207744	887	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	0

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

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

(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

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	(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
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	(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] 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** [X] HMO contract
- **k** [ ] PPO contract
- **l** [X] Indemnity contract
- **m** [X] Other (specify) ▶ PREPAID DENTAL

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**	263572
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

CNA

(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
36-2114545	20443	10066	97	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
2323	0

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

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

AON CONSULTING, INC
200 E RANDOLPH STREET
CHICAGO, IL 60601-6436

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	**(d)** Purpose	**(e)** Organization code
2323			3

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

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

(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	

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	(c) Amount	**(d)** Purpose	

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(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] 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**	46455
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

1 Coverage Information:

(a) Name of insurance carrier

HARTFORD LIFE AND ACCIDENT

(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
06-0838648	70815	ADD-SO5183	7361	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
29699	0

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

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

AON CONSULTING, INC
P.O. BOX 90594
CHARLOTTE, NC 28290-5494

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	**(d)** Purpose	**(e)** Organization code
29699			3

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

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

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] Other (specify) ▶ ACCIDENTAL DEATH AND DISMEMBERMENT

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**	197991
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

1 Coverage Information:

(a) Name of insurance carrier

HARTFORD LIFE AND ACCIDENT

(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
06-0838648	70815	OGL-673005	5709	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
122076	11996

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

AON CONSULTING OF NEW JERSEY, INC
P.O.BOX 905494
CHARLOTTE, NC 28290

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
122076	11996	ALLOCATION OF NON-CONTINGENT COMPENSATION PAYABLE BUT NOT DIRECTLY CHARGED TP PREMIUM RATE	3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

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

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 ▶

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

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** [X] 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**	1220746
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

HARTFORD LIFE AND ACCIDENT

(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
06-0838648	70815	GLT-673005	7361	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
33161	3386

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

AON CONSULTING OF NEW JERSEY, INC
P.O. BOX 905494
CHARLOTTE, NC 28290

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
33161	3386	ALLOCATION OF NON-CONTINGENT COMPENSATION PAYABLE BUT NOT DIRECTLY CHARGED TO PREMIUM RATE	3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

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

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 ▶

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

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** [X] 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**	331609
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

HEALTH NET

(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
95-4402957	00000	58017A	0	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	0

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

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

(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	

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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**	1114
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 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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

KAISER PERMANENTE MA

(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
52-0954463	95639	10088	24	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	0

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

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

(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	

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] 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**	160061
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

KAISER PERMANENTE, CA

(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
94-1340523	00000	37196	131	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
24560	0

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

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

AON CONSULTING, INC
P.O. BOX 905494
CHARLOTTE, NC 28290-5494

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	**(d)** Purpose	**(e)** Organization code
24560			3

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

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

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] Other (specify) ▶ HEALTH CARE SERVICE PLAN

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**	628722
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

NATIONAL UNION

(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
25-0687550	19445	GTP 0009117002	10173	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
2231	0

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

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

AON CONSULTING, INC
200 E RANDOLPH STREET
CHICAGO, IL 60601

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	**(d)** Purpose	**(e)** Organization code
2231			3

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

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

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] Other (specify) ▶ ACCIDENTAL DEATH AND DISMEMBERMENT

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**	14872
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 [X] No

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

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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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

RELIASTAR LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
41-0451140	67105	63595-2	10450	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	0

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

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

(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	

(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**	
5	Current value of plan's interest under this contract in separate accounts at year end	**5**	

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 ▶

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

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** [X] 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**	1487006
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 [X] 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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

(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

(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)

COMMUNITY INSURANCE COMPANY

31-1440175

(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?
12 13 15 49 62 99	ADMINISTRATOR	2854409	Yes [X] No [ ]	Yes [X] No [ ]	727116	Yes [ ] No [X]

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

AON CONSULTING, INC

TWO TOWER BRIDGE
ONE FAYETTE S
CONSHOHOCKEN, PA 19428

(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?
22 53 55	AGENT	0	Yes [X] No [ ]	Yes [X] No [ ]	70844	Yes [ ] No [X]

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

CIGNA

06-0303370

(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	ADMINISTRATOR	221091	Yes [ ] No [X]	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)

CONEXIS

20-0198855

(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	ADMINSTRATOR	45106	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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
FOLLETT CORPORATION EMPLOYEES BENEFIT TRUST

B Three-digit plan number (PN) ▶ 503

C Plan sponsor's name as shown on line 2a of Form 5500
FOLLETT CORPORATION

D Employer Identification Number (EIN)
36-2369161

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)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

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

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)	29565981	
	(B) Participants	2a(1)(B)	18619394	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		48185375
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)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(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)		
(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)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		48185375
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)	48185375	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		48185375
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)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		48185375
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		0
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: ERNST & YOUNG LLP **(2)** EIN: 34-6565596

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
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.)

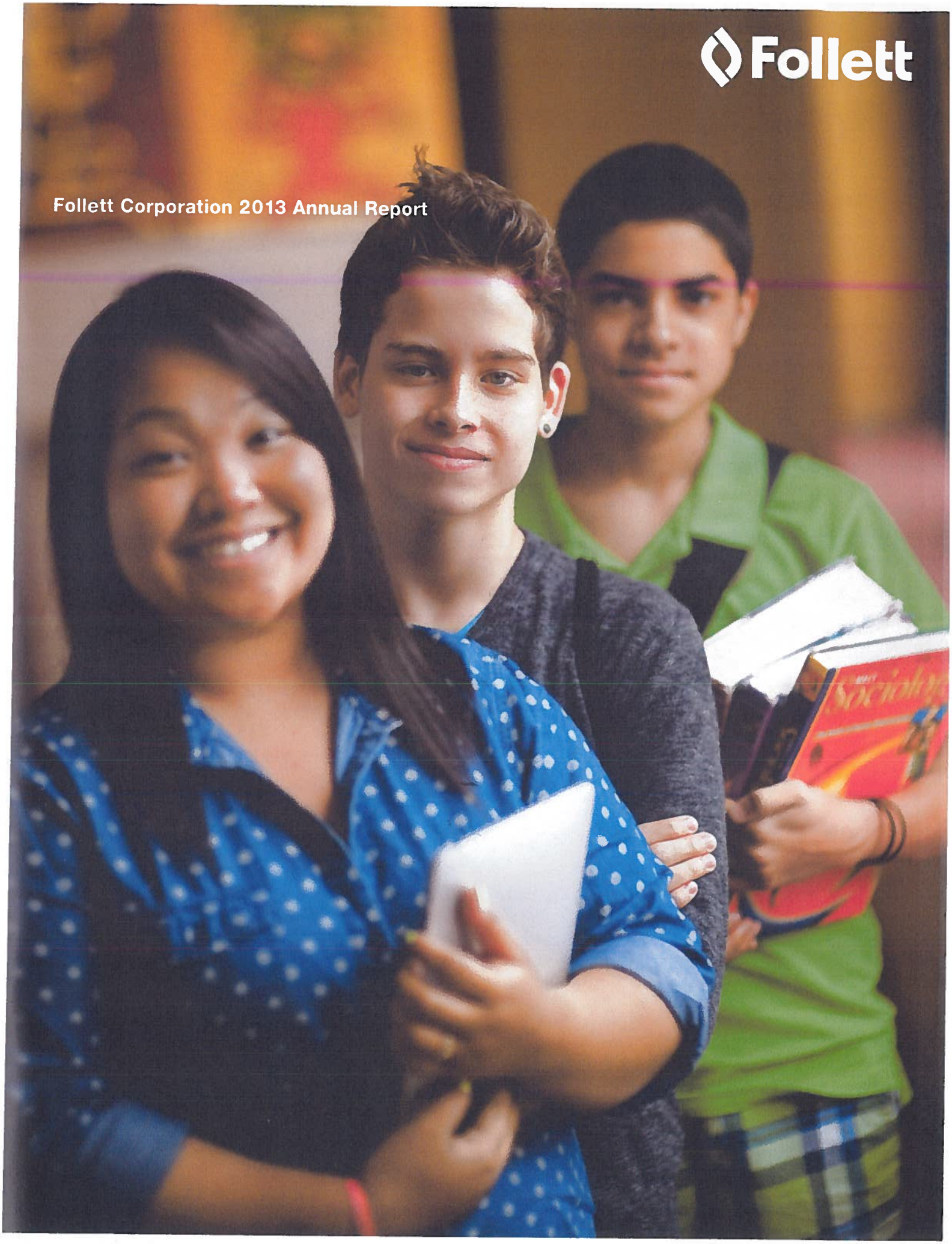
5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

Part V Trust Information (optional)

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

Follett

Follett Corporation 2013 Annual Report



One Follett means
leveraging our strength.
creating stronger partnerships.
being closer to the customer.

Redefining the standard for excellence in our industry and establishing our value as the only provider able to empower education everywhere.

ON THE COVER

At West Warwick High School in Rhode Island, educators engage students in learning with content and technology provided by Follett.

To our shareholders:



Mary Lee Schneider
President and CEO



Steven E. Waichler
Chairman of the Board

FISCAL 2013 MARKED A YEAR OF CHANGE AND RENEWAL for Follett as the company set out on an exciting new course of growth in the fast-evolving education space. In our markets, higher costs and lower government funding pressured our customers and affected their spending—particularly in higher education where state funding declined to levels last seen in the 1980s.

Within this environment, sales of $2.66 billion in fiscal 2013 were down from $2.75 billion in 2012. Lower college enrollments—the first in 15 years—accounted for much of the sales decline.

On a comparable basis, operating income of $117.5 million in fiscal 2013 was higher than the prior year by $13.2 million. However, fiscal 2012 operating profit of $104.3 million included a $22.9 million write-down of goodwill related to our TetraData K–12 data analytics business. Excluding the write-down, operating income in fiscal 2013 declined nearly $10 million.

Change in education continues

The transformation of our industry is accelerating, spurred by the promise and proliferation of digital content and tools, and the demands on educators everywhere to improve student outcomes. Teachers and administrators are under tremendous pressure to do more with less funding, while established companies and start-ups are aggressively marketing endless options and solutions to promote their own content, technologies or devices.

These market dynamics are creating new growth opportunities for Follett requiring the combined insight, capabilities and resources from every corner of the company. In fiscal 2013, we made good progress aligning the organization to pursue these opportunities in ways that will shape the future of learning.

One Mission, One Company, One Follett

Less than six months ago, we brought together our individual businesses under one brand, symbolizing the power and potential of Follett. By coordinating our resources and approach to higher education and preK–12, we have the capacity to drive better outcomes for educators, students and their families across a lifetime of learning. This is the new mission for Follett Corporation.

To create a one-company approach in the preK–12 market, we integrated four separate school businesses under one group, now called Follett School Solutions. This was not just an exercise in rebranding. In the past, our school businesses and sales teams operated as independent companies, occasionally competing for the same customers. Those days are gone. Now there is just one business representing Follett in the school marketplace.

With our focus exclusively on pursuing opportunities in the preK–12 segment of education, we made the decision to exit the public library market with the sale of certain assets of BWI to Baker & Taylor in fiscal 2013.

We also made the decision to bring our Corporate and Follett Higher Education Group (FHEG) offices together as part of the one-company approach. In March of 2014, our River Grove, Oak Brook and Westmont offices will move to the Westbrook Corporate Center in Westchester, Illinois. Consolidating our administrative offices under one roof will lead to more opportunities for collaboration and save significant costs over the life of the 11-year lease.

Today, all of our businesses and functions are operating under one brand, one shared mission and a one-company approach to the marketplace we call One Follett.



Follett associates at River Grove, Oak Brook and Westmont will move to this office tower in Westchester, Illinois, early next year.

A new strategy for growth

In fiscal 2013 we put in place a new strategy to guide and grow the company based on a simple but powerful concept—by managing our current operations more and more efficiently, we generate cash to fund initiatives and new businesses that will drive year-over-year financial growth.

The first part of our strategy—driving efficiencies—requires us to reconsider everything we do today, to find better, less costly ways of working. In our higher education business, for example, a team is working on ways to reduce the huge number of unsold books we return to publishers each year. Finding a way to lower total annual returns by just one percentage point can save Follett $700,000 annually—cash we'd much rather put to work generating more sales and shareholder value.

At the enterprise level, we brought together common administrative support functions previously managed by our businesses. Information Technology, Finance and Human Resources are now shared services that support the entire company. This approach reduces costs, leads to more consistent policies and practices, and gives our businesses more time to focus on their customers.

Across Follett there are many other efficiency initiatives that are leading to better collaboration, innovation and faster speed to market—benefits that add to the savings we'll use to grow the company.

The second part of our strategy redirects those efficiency savings to fund growth. Given the expertise and industry knowledge we have within Follett, there's no shortage of good growth ideas to consider. From these many ideas, our goal is to find the few, truly great ideas to fund—the initiatives that will help us continue to drive growth.

One such big idea involves recapturing course material sales that we've lost to online competitors. Our higher education business is rolling out innovative programming and e-commerce strategies to compete for every student's purchase, whether in store or online. In fiscal 2013 we developed and piloted includED—a new program that provides textbooks and curriculum materials as part of a student's tuition. IncludED works for a single course or an entire institution with Follett providing the course materials.

Another initiative, booknow+, allows faculty to easily search for and adopt course materials, and during registration, gives students a convenient way to shop and purchase all of their course materials through Follett.

Yet another initiative focuses on the buying behavior of students across higher education. In fiscal 2013 we launched Follett's Skyo.com, an e-commerce site to compete with online sites that sell or rent textbooks, such as Amazon and Chegg. The site gives our retail business a platform to compete nationally for students who don't already shop at our individual campus stores.

Another big idea we are piloting in the preK–12 business involves a new service to help schools and school districts update their curricula in line with the new Common Core State Standards in English and math. By partnering with Follett, educators can efficiently identify and access physical and digital content from thousands of publishers that meet the standards.

We also are seeing positive growth from our investments in our Aspen student information business, and in our position as the industry's leading ebook provider to schools.

In fiscal 2013 we also invested in technology and digital capabilities across the enterprise. In Follett's preK–12 business, we integrated key platforms such as Destiny and FollettShelf, adding digital content and extending mobile access to teachers, students and parents. In the higher education business, we installed a new order management system that links inventories across the Follett-managed store system to the Aurora Distribution Center—resulting in improved inventory efficiency.

The final part of our strategy is about expanding Follett's leadership in education outside the traditional areas we're known for. By investing in emerging technologies and businesses with the potential to improve and even disrupt the way educational content is delivered and consumed, we will develop a pipeline of new products and solutions to keep Follett relevant in the market for many years to come. In June of 2013, we established the Follett Knowledge Fund to identify and invest in these types of early-stage technologies.

Looking ahead

Fiscal 2013 was an important year of change for Follett at almost every level of the company. Across the organization, our businesses and functions have responded well to the new strategic emphasis on efficiency, collaboration and accountability.

At the executive level, we are building a strong leadership team for the future. Over the past year, we have announced a new Chief Financial Officer, Tim Henrichs (formerly Follett's Corporate Controller), a new Chief Information Officer, Sanjeev Singh (formerly CIO at Jos. A. Bank), and a new General Counsel and Board Secretary, Mark Sproat (formerly General Counsel of Hewitt). We also announced the retirement of Tom Christopher, and welcomed Don Germano (formerly of Dick's Sporting Goods), as the new President of FHEG. Within FHEG, we welcomed Roe McFarlane (formerly of Redbox) as Senior Vice President of Product Development responsible for our various digital businesses, including Skyo.com, efollett.com and CafeScribe. All of these individuals bring a tremendous level of expertise, enthusiasm and commitment to these critical roles. We also strengthened our Board in fiscal 2013 with two new outside directors who have significant retail and technology expertise—Ray Griffith, recently retired as President and CEO of Ace Hardware, and technology entrepreneur Dave Habiger, former President and CEO of NDS Group.

From a market and business perspective, we're encouraged by our progress at this point early in fiscal 2014. Unlike the last two previous years, we enter Fall Rush with results to date that are in line with our expectations. Follett's higher education and preK–12 businesses are performing well, and a number of the growth initiatives central to our strategy are beginning to generate market interest and sales.

That said, there's a long way to go, and the entire enterprise remains focused on executing the strategy and delivering on our full-year commitments.

Of course the unexpected loss of Alison O'Hara, our Chairman and catalyst behind so much of the change already underway within the company, has left us all deeply saddened. At the same time, we are determined to add to her legacy by ensuring that Follett continues to grow and create value for many years to come.

On behalf of Follett's Board of Directors, company management and our associates who serve our customers each day, thank you for your support.

Sincerely,

Mary Lee Schneider
President and CEO

Steven E. Waichler
Chairman of the Board

Tribute to Alison O'Hara



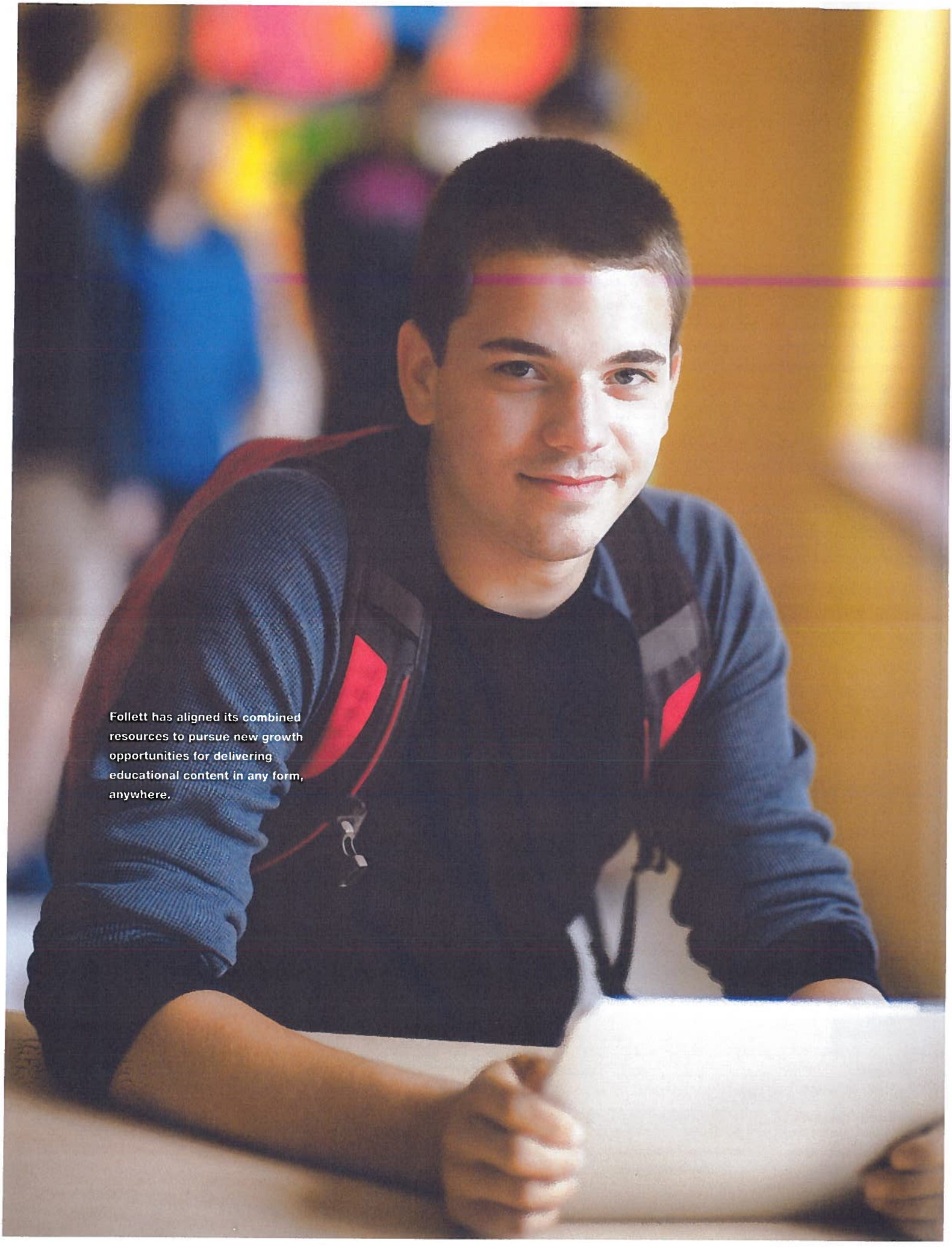
ON JULY 20, 2013, ALISON O'HARA, Chairman of the Board of Follett Corporation, passed away from complications related to breast cancer. As a fourth-generation family member, Alison was a visionary leader and the first woman elected Chairman in the company's 140-year history.

After assuming the role in 2011 at a challenging time for the company, Alison became a catalyst and champion of change across the enterprise. Here are just a few examples from her many accomplishments as Chairman:

- *Originated and advanced the One Follett concept of bringing our businesses together to pursue growth*
- *Created and launched a new, single identity for all Follett businesses*
- *Upgraded the audit function in line with changes in the businesses*
- *Led the 2012 search for Follett's President and CEO*
- *Expanded the competency of the Board of Directors in the areas of technology and retail through the search and selection of two new independent directors*
- *Began a process to increase family engagement with the company*

With every initiative she undertook, Alison brought a sense of urgency and action in transforming the company's culture. She also was passionate about Follett's ability to compete and grow in the fast-changing education marketplace.

Alison's legacy continues to inspire the Board, management and associates across the company as we take the important steps each day to carry out her vision of One Follett.


Follett has aligned its combined resources to pursue new growth opportunities for delivering educational content in any form, anywhere.

Growing opportunities

With our One Follett approach in place, we have one overriding strategy to ensure that all of our businesses are aligned to the single goal of generating value for our customers and our shareholders while improving performance year over year.

We are transforming the way we work, becoming more efficient, funding the big ideas that will help us grow, and investing in new areas that will reshape our future.

This is a time of great opportunity for Follett.



Through the integration of Follett's curriculum insights, content and technology, the company is expanding its role and position across the preK–12 education segment.

Opportunities in preK–12

Helping educators achieve their goals

Applying new learning models. Meeting higher standards. Integrating digital content. Improving student outcomes.

As the transformation of preK–12 education unfolds, Follett School Solutions is stepping forward with solutions and insight to help teachers and administrators carry out their missions. By aligning its industry-leading content and technology capabilities, Follett is uniquely positioned to help solve some of the most pressing issues facing educators today.

Rather than taking the time to deal with individual publishers, educators turn to Follett to deliver the print and digital content they need, no matter the format or source. With books increasingly moving to digital formats, Follett is aligning and applying its capabilities to help customers access, adapt and integrate the new forms of content within school library and classroom environments.

Through its innovative technology and relationships with more than 5,000 publishers and suppliers, Follett provides access to nearly 235,000 ebooks in an e-environment designed for use in schools. Educators rely on FollettShelf—an easy-to-use online hosted bookshelf—to provide students online access to ebooks and other digital content at school or at home. FollettShelf includes a powerful ebook reading and study environment, complete with a dictionary, note-taking tools, and 24/7 access from desktops, tablets and smartphones.

According to the World Education Rankings, the United States education system is ranked No. 17 globally in reading, math and science—a critical problem affecting the country's competitiveness. Beginning with the 2013–2014 school year, schools across the country will adjust their curricula in line with the Common Core State Standards. The initiative requires schools to align their content and teaching to meet new, more robust standards.

Follett's Aspen Student Information System is in

14 STATES

142 SCHOOL DISTRICTS

serving nearly

1 million STUDENTS

Nearly

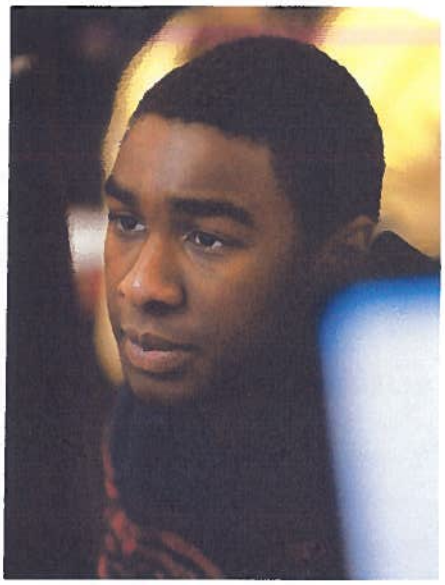
235,000

ebooks are available through FollettShelf

The preK–12 business serves more than

75,000

schools *every* day



Follett partners with schools and districts to deliver solutions that improve student engagement and achievement.

Follett is out in front of this issue with new ways for educators to efficiently access Common Core content from thousands of publishers, regardless of how early or far along districts may be in the process. Follett offers a new curriculum services solution that's easily tailored to meet local needs, giving customers access to the most comprehensive set of titles available that tie to the new standards. Follett education content experts provide the curriculum insight and apply the power of Titlewave, the company's leading collection development and curriculum support tool, as well as other curriculum-focused digital technologies.

Follett's solution is helping to simplify and accelerate implementation while also controlling administrative, materials and technology costs. The company is currently partnering with customers across the country to help implement the standards.

Follett is known for developing and delivering leading technology platforms to schools that help educators and administrators work more efficiently, giving them more time to focus on driving student achievement.

For years librarians have relied on Titlewave to help them keep their collections current—more than 90 percent of Follett orders for content come through this site. Destiny Library Manager is the leading school library management software, which also serves as the primary online repository and access point for digital content. Administrators at the school and district level depend on Destiny Textbook Manager and Destiny Asset Manager as well to help track and manage school property and assets—everything from physical text books to digital devices.

The Aspen Student Information System is another industry-leading platform from Follett. Aspen serves as the core technology system supporting the daily administrative and classroom activities at more than 130 school districts.

By themselves, these individual technology platforms are powerful tools. By tying these platforms together with FollettShelf—a key focus and accomplishment for Follett School Solutions in fiscal 2013—Follett is now delivering even more access to content and capabilities to help customers stay on top of the changing school environment.

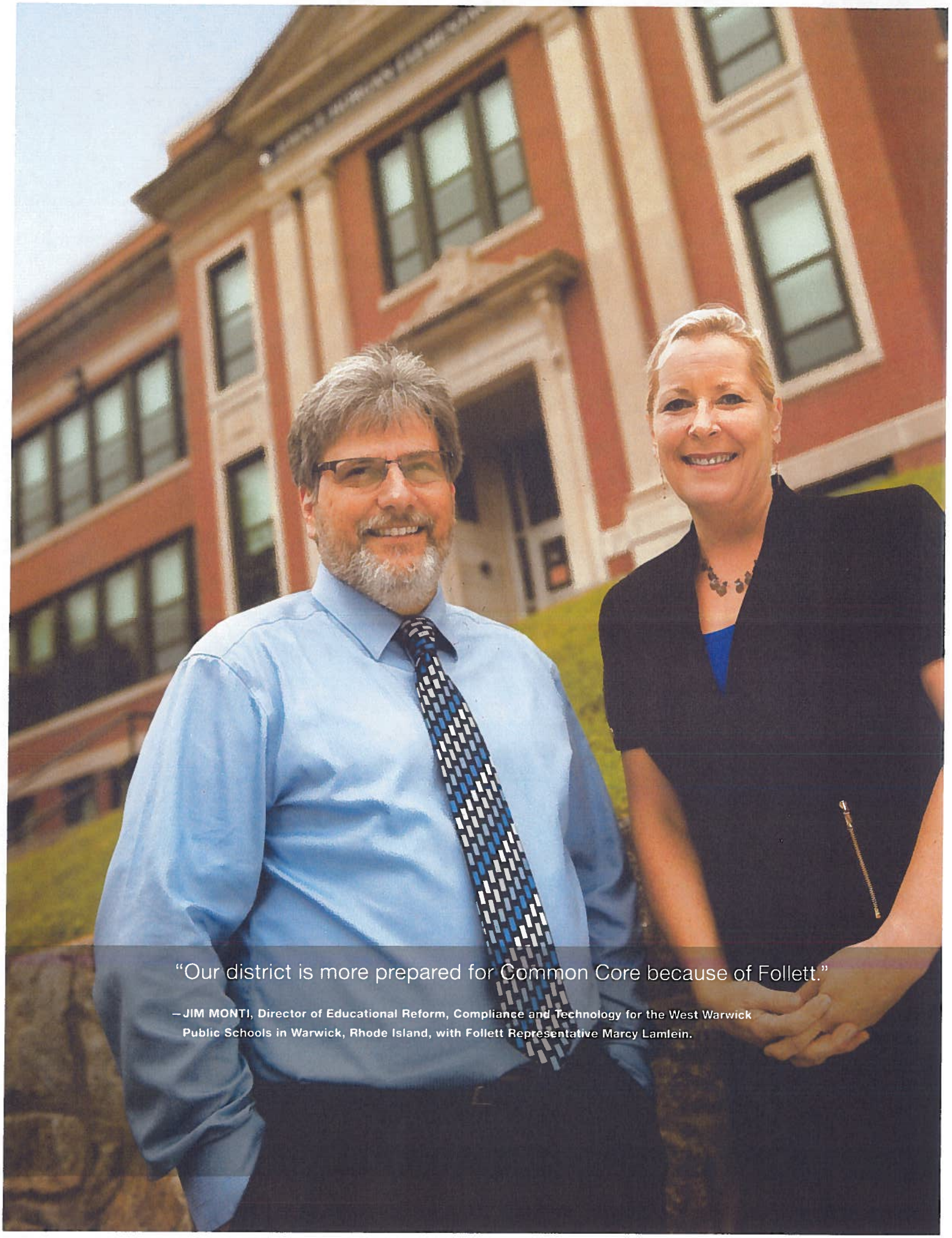
Follett's preK–12 businesses support

35 million students

29 million students at more than 43,000 schools use Follett ebooks



Integrating Follett technology and digital content gives librarians and teachers the tools to efficiently deliver new learning models.


"Our district is more prepared for Common Core because of Follett."
– JIM MONTI, Director of Educational Reform, Compliance and Technology for the West Warwick Public Schools in Warwick, Rhode Island, with Follett Representative Marcy Lamlein.



The education experience today for students is both personal and virtual. Follett campus retail stores partner with institutions to enhance the experience and drive student success.

Opportunities in higher education

Delivering the right choices for students to succeed

Providing affordable course material options; digital and physical, new and used, to buy or rent. Enhancing the college experience with merchandise, in store or online.

With rising tuition and student debt topping the $1 trillion mark, more and more students and their families are scrutinizing every cost associated with a college education. As a part of the local campus community at more than 933 retail stores in North America, Follett understands this issue firsthand. From traditional textbooks and interactive digital content, to fan gear and supplies—Follett is providing new levels of access, affordability, convenience and choice to help students and institutions succeed in today's environment.

One example is the new includED program, an initiative that delivers all required course materials, both print and digital, to students as part of their tuition or fees. At its core, includED is a simple idea with compelling benefits for students, institutions and campus stores. By ensuring every student has access to all required course materials, includED drives engagement and academic success. Depending on the model, students can experience enhanced affordability as well. Since its launch in fiscal 2013, the includED program has been implemented at all levels of academia. Due to its flexibility and scalability, the number of includED schools has more than tripled, delivering the benefits of the programs to tens of thousands of students nationwide.

Another example is booknow+, a program that transforms the online course materials discovery and adoption process for faculty, enabling them to adopt course materials that best support student success. In addition, booknow+ helps students to easily discover, obtain and access their required and recommended course materials. The program will be rolled out to Follett partner campuses beginning this Fall.

48

Follett managed stores opened between 04.01.12 and 03.31.13, bringing the total number in Fiscal 2013 to

933

6,500 orders daily

are placed through efollett.com

Follett Higher Education Group ranked

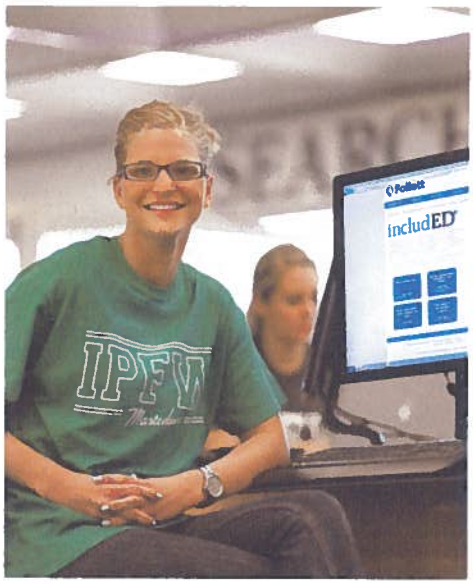
no. 71

for e-commerce by *Internet Retailer* magazine

The includED program and booknow+ are powered by proprietary Follett technology that interfaces with the partner institution's student information or learning management systems to securely deliver a convenient and customized experience for both students and faculty.

Another option for students looking for more affordability is text rental, a lower-cost alternative to buying new books. Beyond the savings, Follett's Rent-A-Text program is unique because it allows students to rent physical or digital textbooks, and offers the convenience of multiple forms of payment, including financial aid.

Follett continually invests in these types of programs to support students at the campuses served by the company—students who have traditionally formed the core of the retail business. In fiscal 2013, Follett expanded the core with the launch of Skyo.com, a national e-commerce Website to compete for the millions of students who don't already shop at our campus retail stores. The initial pilot of Skyo.com demonstrated the potential of this online channel for significantly growing sales of both course materials and merchandise.



At Indiana University–Purdue University Fort Wayne (IPFW), more than 5,200 students are expected to take part in Follett's includED program this Fall.

As the number of new programs, services and products ramp up to serve more customers, Follett is expanding and strengthening its distribution capabilities to support the growth. In fiscal 2013, the company took an important step by connecting the campus retail stores with the new Aurora, Illinois, distribution center using the latest in order management systems technology. The goal is to create a national inventory and distribution network in which products are visible and available at any point in the system, ready for shipment. Beginning in 2014, Follett will add third-party vendors to the system, significantly increasing the volume of products—and sales—that will flow through Follett's retail business.

With the strongest relationships and broadest range of products and services in the industry, Follett will continue to pursue new growth opportunities that help institutions and students meet their goals.

Follett apps give students with tablets and smartphones round-the-clock access to coursework, learning tools and each other.



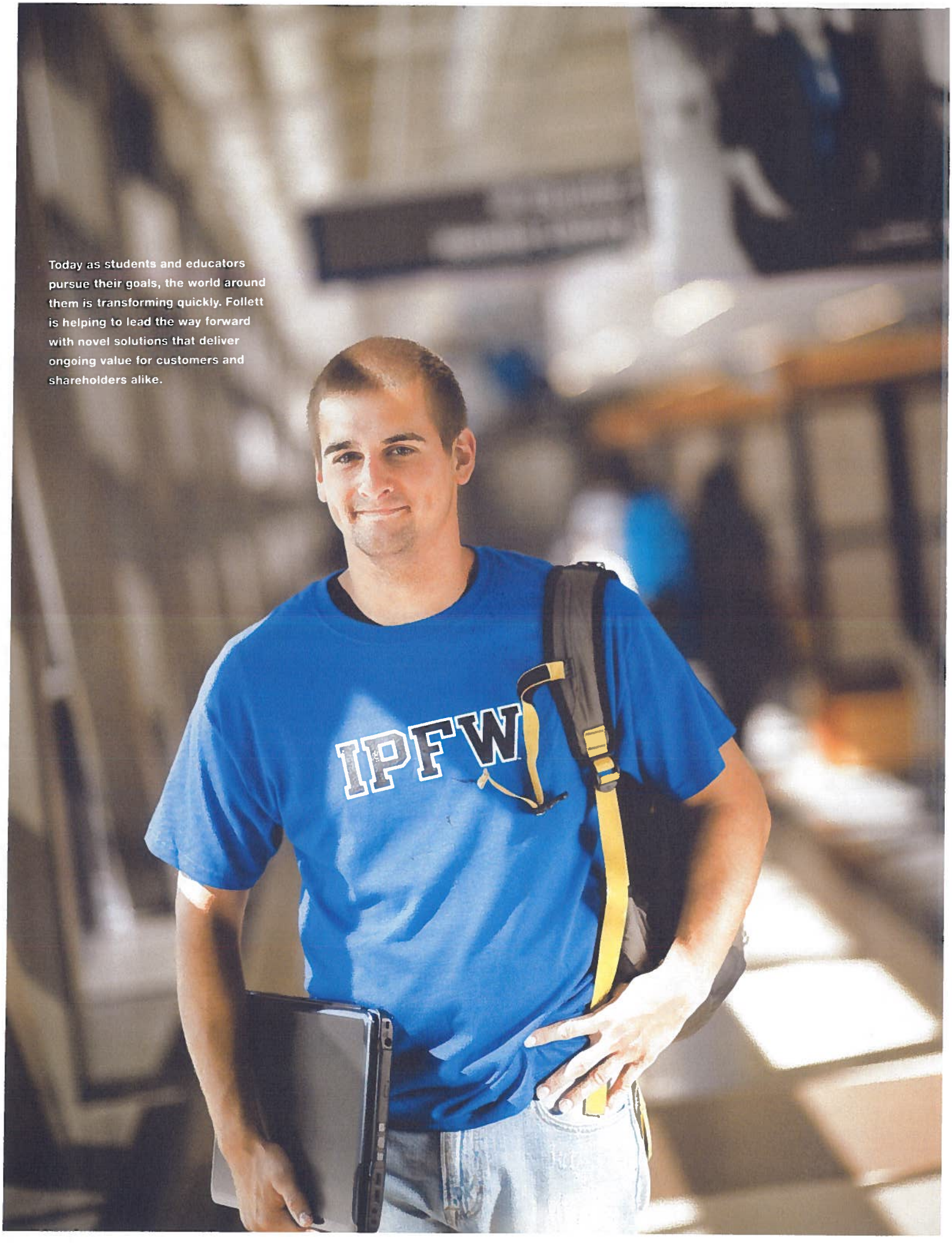
Students who rented textbooks from Follett in fiscal 2013 saved a total of nearly

$200 million

7 million

orders were processed at the Aurora Distribution Center in fiscal 2013


"The includED program helps students save money and improves access to digital course materials. With includED, Follett's role has truly shifted from a service provider to an advisor and a strategic resource."
--SAMANTHA BIRK, Associate Director for Instructional Technologies at IPFW, with Follett Representative Liz Pisney.



Today as students and educators pursue their goals, the world around them is transforming quickly. Follett is helping to lead the way forward with novel solutions that deliver ongoing value for customers and shareholders alike.

Consolidated statements of income

(In thousands, except per share data)	Years ended March 31, 2013	2012
Net sales	**$2,658,105**	$2,748,958
Cost of sales	**1,623,999**	1,703,993
Gross profit	**1,034,106**	1,044,965
Selling, occupancy and administrative expenses	**916,620**	917,783
Impairment of goodwill and other intangible assets	**–**	22,922
Operating income	**117,486**	104,260
Foreign exchange loss (gain), net	**61**	(139)
Interest expense, net	**2,853**	4,124
Other non-operating income	**(1,600)**	–
Income before income taxes	**116,172**	100,275
Income tax expense	**43,838**	47,183
Net income	**$ 72,334**	$ 53,092
Earnings per share information:		
Basic	**$ 2.23**	$ 1.63
Diluted	**$ 2.23**	$ 1.63
Weighted average shares outstanding:		
Basic	**32,496**	32,617
Diluted	**32,509**	32,617

See accompanying notes to the consolidated financial statements.

Consolidated statements of comprehensive income

(In thousands)	Years ended March 31, 2013	2012
Net income	**$72,334**	$53,092
Other comprehensive loss, before tax:		
Postretirement benefit plan adjustments	**(805)**	(1,114)
Foreign translation adjustment	**(844)**	(437)
Other comprehensive loss, before tax	**(1,649)**	(1,551)
Income tax effect:		
Postretirement benefit plan adjustments	**310**	429
Foreign translation adjustment	**325**	168
Income tax effect	**635**	597
Other comprehensive loss, net of tax	**(1,014)**	(954)
Comprehensive income, net of tax	**$71,320**	$52,138

See accompanying notes to the consolidated financial statements.

Consolidated balance sheets

(In thousands)	As of March 31, 2013	2012
Assets		
Cash and cash equivalents	**$165,450**	$134,929
Accounts receivable	**98,034**	99,435
Inventories	**214,836**	216,357
Rental library	**125,778**	96,867
Deferred income taxes	**21,658**	20,076
Prepaid expenses and other current assets	**31,084**	30,377
Total current assets	**656,840**	598,041
Property and equipment	**186,436**	177,299
Goodwill and other intangible assets	**102,112**	105,232
Other long-term assets	**32,380**	31,452
Total assets	**$977,768**	$912,024
Liabilities and shareholders' equity		
Current maturities of long-term obligations	**$105**	$65
Accounts payable	**274,720**	253,754
Deferred revenue	**79,744**	73,212
Accrued expenses and other current liabilities	**116,898**	132,777
Total current liabilities	**471,467**	459,808
Capital lease obligation	**16,401**	16,506
Other long-term liabilities	**23,668**	24,484
Deferred income taxes	**21,390**	16,700
Total liabilities	**532,926**	517,498
Total shareholders' equity	**444,842**	394,526
Total liabilities and shareholders' equity	**$977,768**	$912,024

See accompanying notes to the consolidated financial statements.

Consolidated statements of shareholders' equity

(In thousands, except per share data)	Class A Preferred stock Shares	Class A Preferred stock Amount	Common stock Shares	Common stock Amount	Paid-in capital	Retained earnings	Accumulated other comprehensive income: Foreign currency translation	Accumulated other comprehensive income: Post-retirement benefits	Treasury stock Shares	Treasury stock Amount	Total shareholders' equity
March 31, 2011	**48,000**	**$2**	**36,107**	**$2,143**	**$710**	**$501,348**	**$2,086**	**$1,197**	**(3,470)**	**$(1,167)**	**$506,319**
Net income						53,092					53,092
Other comprehensive loss							(269)	(685)			(954)
Shares repurchased under stock-based compensation plan									(86)	(39)	(39)
Shares issued under stock-based compensation plan					2						2
Dividends declared $5.09 per share						(163,894)					(163,894)
March 31, 2012	**48,000**	**$2**	**36,107**	**$2,143**	**$712**	**$390,546**	**$1,817**	**$ 512**	**(3,556)**	**$(1,206)**	**$394,526**
Net income						72,334					72,334
Other comprehensive loss							(519)	(495)			(1,014)
Shares repurchased under stock-based compensation plan									(4)	(76)	(76)
Shares issued under stock-based compensation plan									10		
Dividends declared $0.65 per share						(20,928)					(20,928)
March 31, 2013	**48,000**	**$2**	**36,107**	**$2,143**	**$712**	**$441,952**	**$1,298**	**$ 17**	**(3,550)**	**$(1,282)**	**$444,842**

See accompanying notes to the consolidated financial statements.

Consolidated statements of cash flow

(In thousands)	Years ended March 31, 2013	2012
Cash flows from operating activities		
Net income	**$ 72,334**	$ 53,092
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**95,813**	95,563
Stock-based compensation	**(58)**	(2,099)
Impairments and non-cash store closing charges	**1,680**	24,718
(Gain) loss on disposal of assets and investments	**(588)**	335
Gain on the sale of a business	**(1,600)**	—
Deferred income taxes	**1,883**	13,182
Changes in assets and liabilities, net of acquisitions:		
Acquisition of rental library, net	**(66,395)**	(64,266)
Decrease in accounts receivable	**1,376**	8,233
Decrease (increase) in inventories	**56**	(14,449)
Decrease (increase) in other current assets	**(712)**	(289)
Increase (decrease) in accounts payable	**21,196**	(16,444)
Increase in deferred revenue	**6,536**	12,752
Decrease in accrued expense	**(15,411)**	(6,594)
Decrease (increase) in other noncurrent assets and liabilities	**(1,747)**	1,723
Net cash provided by operating activities	**114,363**	105,457
Cash flows from investing activities		
Capital expenditures	**(66,661)**	(71,973)
Acquisitions, net of cash acquired	**(611)**	—
Proceeds from the sale of assets	**3,411**	2,943
Proceeds from the sale of a business	**3,077**	—
Net cash used in investing activities	**(60,784)**	(69,030)
Cash flows from financing activities		
Issuances of common stock, net	**(76)**	(38)
Dividends paid	**(21,114)**	(165,922)
Repayments of long-term obligations	**(65)**	(14,314)
Repayments of notes payable	**(1,250)**	(4,986)
Net cash used in financing activities	**(22,505)**	(185,260)
Effect of foreign exchange rates on cash	**(553)**	(231)
Net increase (decrease) in cash and cash equivalents	**30,521**	(149,064)
Cash and cash equivalents, beginning of year	**134,929**	283,993
Cash and cash equivalents, end of year	**$165,450**	$ 134,929
Supplemental cash flow information		
Interest paid	**$ 2,999**	$ 4,980
Income taxes paid	**$ 43,197**	$ 29,302

See accompanying notes to the consolidated financial statements.

Note 1. NATURE OF OPERATIONS

Follett Corporation and Subsidiaries (the Company) is an education solutions company applying innovative technology, distribution and specialty retail expertise to help customers increase efficiency and enhance the learning experience. The Company's customers include K–12 schools and libraries and higher education institutions throughout the United States and Canada.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The consolidated financial statements include the accounts of Follett Corporation and all of its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents

Cash and cash equivalents consist of liquid investments with original maturities of three months or less.

Inventories

Due to the nature of the Company's inventory, all inventories are comprised of finished goods. Certain retail and wholesale inventories representing approximately 38% and 43% of consolidated inventories at March 31, 2013, and March 31, 2012, respectively, are valued under the lower of last-in, first-out (LIFO) cost method or market. The lower of first-in, first-out (FIFO) cost method or market is used to value the remaining inventories. Inventories would have been approximately $81,185 and $87,379 higher at March 31, 2013 and 2012, respectively, if the FIFO cost method had been used for all inventories.

During fiscal years 2013 and 2012, inventory levels were reduced, resulting in a liquidation of certain LIFO inventory layers. These inventories were carried at lower costs, which prevailed in prior years as compared with current costs, resulting in an increase in operating income of $5,883 ($3,618 net of tax) and $3,491 ($2,147 net of tax) in fiscal year 2013 and 2012, respectively.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets. The useful lives are as follows: buildings and building improvements from 12 to 25 years; fixtures and equipment from 3 to 8 years; leasehold improvements over the lesser of the remaining lease life, 10 years or other lease terms, and internal use software over 3 years.

Impairment of long-lived assets

Long-lived assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Acquired intangible assets are initially measured at fair value based on an independent appraisal, if material. Intangible assets with determinable useful lives are amortized over their estimated useful lives. If the carrying amount of an asset is not recoverable, an impairment loss is recognized for the amount by which it exceeds fair value. The Company determines the fair value based on discounted future cash flows.

Goodwill and other intangible assets

Goodwill is the excess of the purchase price over the fair value of net assets acquired in business combinations. Goodwill is not amortized; rather, it is evaluated for impairment when events or changes in circumstances indicate that the asset might be impaired, or at least annually. Impairment losses are recognized if the carrying amount of goodwill exceeds the fair value. The Company determines the fair value based on discounted future cash flows.

Store closings

The cost of closing a store consists primarily of provisions to reduce inventories, accounts receivable and abandoned property and equipment to their net realizable value. Inventories, accounts receivable, and property and equipment are written down to net realizable value when circumstances indicate that it is less than carrying value. Lease cancellation costs are expensed on the closing date. Provisions for store closings of $1,680 and $1,797 were recorded in selling, occupancy and administrative expenses for fiscal year 2013 and 2012, respectively.

Revenue recognition

Revenue from product sales is recognized when evidence of an agreement exists, title and risk of loss passes to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Provisions are made for product discounts, rebates, returns and adjustments in the period in which the related revenues are recorded. Sales taxes collected from retail customers are presented on a net basis and as such are excluded from revenue.

Textbook rental revenue is recognized over the term of the agreement, generally a semester, as title and risk of loss remains with

the Company. Fees charged on textbooks not returned in accordance with the agreements are recognized upon collection of the fees.

Revenue from software and service arrangements with multiple elements is allocated among the elements based upon the relative sales price of each element when sold separately (vendor-specific objective evidence). Revenue is generally recognized when each software element is delivered or over the period the service is rendered.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year's consolidated financial statements and related notes have been reclassified to conform to current year's presentation.

Note 3. FAIR VALUE MEASUREMENTS

Certain assets and liabilities are measured at fair value. For assets and liabilities that are measured using significant observable inputs other than quoted prices in active markets, fair value is determined by reference to prices of similar assets and liabilities.

Note 4. ACQUISITIONS

On October 1, 2010, the Company acquired 100% of the outstanding stock of X2 Development Corporation (X2). The purpose of the acquisition was to expand the Company's portfolio of education technology solutions by offering tools to manage student information such as grades and attendance.

The acquisition included $5,000 in post-acquisition payments, of which $2,500 related to retention bonuses for key employees that were expensed over the retention period and two $1,250 installments related to the acquisition price payable to the sellers on the first and second anniversary dates of the acquisition. In October 2011, the Company paid $2,250 of the post-acquisition payments. At March 31, 2012, $1,125 of retention bonuses and $1,250 of deferred acquisition price payable were included in accrued expenses and other current liabilities. In October 2012, the Company paid $2,788 in full settlement of its remaining liabilities related to the acquisition. Operating results of X2 are included in the consolidated financial statements from the date of acquisition.

In November 2011, the Company paid $2,736 to the seller of a fiscal year 2007 acquisition to settle a purchase price holdback provision, which was accrued within accrued expenses and other current liabilities as of March 31, 2011.

Note 5. SALE OF BUSINESS

In August 2012, the Company entered into an asset purchase agreement to dispose of certain assets, contracts and rights owned and used in connection with its public library business. The Company received $3,077 in cash and recorded a gain of $1,600 on the disposition before income taxes, which is included in other non-operating income in the consolidated income statement. As of March 31, 2013, all amounts under the asset purchase agreement had been collected.

The results of the public library business, which are included in the Company's consolidated income statements, are as follows:

	Years ended March 31,	
	2013	2012
Net sales	**$18,540**	$32,230
Cost of sales	**16,331**	25,225
Gross profit	**2,209**	7,005
Operating expenses	**3,544**	7,278
Non-operating income	**(2)**	–
Loss before income taxes	**(1,333)**	(273)
Income tax benefit	**(513)**	(105)
Net loss	**$ (820)**	$ (168)

Note 6. RENTAL LIBRARY

The Company offers rental textbooks at most of its retail stores, online and to certain independently managed stores. Students generally rent a textbook for a semester. The cost of a rental textbook is amortized on a straight-line basis over the estimated useful life down to its estimated salvage value. The useful life of a rental library textbook ranges from 2 to 3 years.

The rental library represents the net book value of textbooks owned under the text rental program and consists of the following:

	As of March 31,	
	2013	2012
Rental library, gross	**$155,264**	$121,458
Accumulated amortization	**(29,486)**	(24,591)
Rental library, net	**$125,778**	$ 96,867

Amortization expense of $37,467 and $42,035 related to rental library was recorded in cost of sales for fiscal year 2013 and 2012, respectively.

The Company performs an annual assessment of the useful life and salvage value estimates of its rental library. Effective December 1, 2011, the Company revised the estimated useful life and salvage value. Changes in estimates are accounted for on a prospective basis by depreciating current carrying cost of the rental library over the remaining useful life. For the fiscal year ended March 31, 2012, the change resulted in a pre-tax reduction of depreciation expense of $7,283 compared to previous assumptions.

The Company identified certain titles in the rental library that no longer met the criteria established for a title to be rented and recorded a write down of $359 and $222 in fiscal year 2013 and 2012, respectively, to adjust the carrying value to its fair value.

Note 7. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2013	As of March 31, 2012
Trade receivables	**$ 89,575**	$ 93,599
Other	**14,998**	12,527
Accounts receivable, gross	**104,573**	106,126
Allowance for doubtful accounts	**(1,907)**	(1,841)
Allowance for returns	**(4,632)**	(4,850)
Accounts receivable, net	**$ 98,034**	$ 99,435

Trade receivables consist primarily of receivables from colleges, universities, schools, and governmental institutions. Other receivables consist primarily of amounts due from vendors.

The Company carries its accounts receivable at their face amounts less an allowance for doubtful accounts and estimated returns. On a regular basis, the Company records an allowance for uncollectible receivables based upon known bad debt risks and past loss history, customer payment practices and economic conditions. Actual collection experience may differ from the current estimate of net receivables. A change to the allowance for doubtful accounts may be required if a future event or other change in circumstances results in a change in the estimate of the ultimate collectability of a specific account.

Note 8. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2013	As of March 31, 2012
Land and buildings	**$ 2,186**	$ 5,011
Fixtures and equipment	**302,407**	298,695
Leasehold improvements	**140,699**	133,202
Assets held under capital lease	**16,431**	16,431
Internal use software	**136,354**	113,258
Property and equipment, gross	**598,077**	566,597
Accumulated depreciation and amortization	**(411,641)**	(389,298)
Property and equipment, net	**$ 186,436**	$ 177,299

Depreciation and amortization expense related to property and equipment of $54,774 and $48,983 was recorded in selling, occupancy and administrative expenses for fiscal year 2013 and 2012, respectively.

Note 9. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consists of the following:

	2013	As of March 31, 2012
Goodwill	**$ 82,157**	$ 82,104
Other intangible assets:		
Customer relationships	**32,850**	32,850
Existing technology	**7,640**	7,640
Other intangibles	**6,424**	6,026
Total other intangible assets	**46,914**	46,516
Accumulated amortization	**(26,959)**	(23,388)
Other intangible assets, net	**19,955**	23,128
Total goodwill and other intangible assets	**$102,112**	$105,232

During fiscal year 2013, the Company's estimated fair value of one of its reporting units exceeded the carrying value by less than 10%. Any future decrease in the fair value of the reporting unit, due to a decline in profitability of this reporting unit or the inability to meet the Company's profitability and cash flow expectations in future periods, could result in an impairment charge. No impairment charges were recorded in fiscal year 2013.

In fiscal year 2012, the Company's estimated fair value of a second reporting unit was lower than the reporting unit's carrying value due to lower near-term profit expectations. As a result, impairment charges of $19,436 for goodwill and $3,486 for customer

relationships, existing technology, and other intangible assets was recorded in selling, occupancy and administrative expenses.

Total intangible asset amortization expense was $3,571 and $4,545 in fiscal year 2013 and 2012, respectively. The amounts of intangible asset amortization that will be expensed over the next five years are $3,386, $3,158, $2,708, $2,708, $2,345 and $5,650 thereafter.

Note 10. LONG-TERM OBLIGATIONS

Capital lease obligation

The Company has one lease classified as a capital lease with a related party, which carries an implicit interest rate of 11.1%. The lease has an initial term of 8 years, expiring in fiscal year 2015, with four 4-year renewal options.

The capital lease obligation consists of the following:

	As of March 31, 2013	2012
Capital lease obligation	**$16,506**	$16,571
Current maturities	**(105)**	(65)
Capital lease obligation, net of current maturities	**$16,401**	$16,506

Revolving credit facility

In April 2012, the Company amended and restated its revolving credit facility with a group of banks. The $400,000 revolving credit agreement, which provides for various interest rate options, expires in April 2017. The line of credit contains covenants, including minimum net worth, limitations on additional indebtedness, and a minimum interest coverage ratio. The Company was in compliance with these covenants as of March 31, 2013 and 2012. The maximum borrowing was $137,400 and $141,000 during fiscal year 2013 and 2012, respectively. No amounts were outstanding as of March 31, 2013 and 2012.

Note 11. EMPLOYEE BENEFIT PLANS

Defined contribution plans

The Company has a qualified Retirement Savings Plan (the RSP) for eligible employees. The Company's 401(k) matching contributions to the RSP were $9,079 and $9,046 for fiscal year 2013 and 2012, respectively. Additionally, the Company's discretionary profit sharing contributions to the RSP were $3,050 and $3,591 for fiscal year 2013 and 2012, respectively.

Defined benefit plans

The Company has an unfunded postretirement medical plan which requires contributions from retirees. In December 2009, the Company amended its postretirement medical plan to close the plan to new participants. The amendment resulted in a reduction of the postretirement liability of $2,513, which was recorded directly to shareholders' equity and will be recognized in income from the date of amendment through August 2013.

A summary of the changes in the benefit obligation is presented below:

	Years ended March 31, 2013	2012
Projected benefit obligation at beginning of year	**$129**	$232
Interest cost	**3**	7
Actuarial gain	**(2)**	(39)
Benefits paid, net of participant contributions	**(32)**	(71)
Projected benefit obligation at end of year	**$ 98**	$129

The assumptions used to determine the costs are as follows:

	Years ended March 31, 2013	2012
Discount rate	**2.8%**	3.8%
Medical health care cost trend rate	**9.5%**	10.0%
Ultimate medical health care cost rate	**5.0%**	5.0%

The periodic postretirement benefit costs consist of:

	Years ended March 31, 2013	2012
Interest cost	**$ 3**	$ 7
Amortization of prior service credit	**(712)**	(712)
Amortization of net gain	**(94)**	(441)
Total periodic postretirement benefit cost	**$(803)**	$(1,146)

The weighted average assumptions used to determine the obligation are as follows:

	Years ended March 31, 2013	2012
Discount rate	**2.0%**	2.8%
Medical health care cost trend rate	**9.0%**	9.5%
Ultimate medical health care cost rate	**5.0%**	5.0%

The fiscal year 2014 medical health care cost trend rate of 9.0% was assumed to decrease by 0.5% per year, to an ultimate rate of 5.0% in 2022. A one-percent change in assumed health care cost trend rates would not have a material impact on either the total service and interest components of net periodic postretirement health care benefit costs or the health care cost component of the postretirement benefit obligation.

Expected benefit payments for the next five fiscal years are $21, $16, $10, $12 and $7 and $39 for the five fiscal years thereafter. For the fiscal year ending March 31, 2014, the Company expects to recognize $28 of net periodic postretirement benefit income.

The Company also has a nonqualified, unfunded retirement plan for senior executives. The total provision was $269 and $1,254 for fiscal year 2013 and 2012, respectively. As of March 31, 2013 and 2012, the Company had a liability related to the plan of $10,121 and $10,837, respectively, included in other long-term liabilities.

Note 12. INCOME TAXES

Income tax expense consists of:

	Years ended March 31, 2013	2012
Current:		
Federal	**$35,055**	$27,642
State and local	**6,900**	6,359
Total current provision	**41,955**	34,001
Deferred:		
Federal	**1,796**	12,046
State and local	**87**	1,136
Total deferred provision	**1,883**	13,182
Total income tax provision	**$43,838**	$47,183

A reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate is as follows:

	Years ended March 31, 2013	2012
U.S. federal statutory income tax rate	**35.0%**	35.0%
Non-deductible goodwill impairment	**—**	6.8
State income taxes, net of federal benefits	**3.8**	5.0
Federal tax credits	**(0.6)**	(0.6)
Other, net	**(0.5)**	0.9
Effective income tax rate	**37.7%**	47.1%

The temporary differences that give rise to net deferred tax assets and liabilities were as follows:

	As of March 31, 2013	2012
Deferred tax assets:		
Inventories	**$ 18,802**	$ 17,750
Stock compensation and non-qualified retirement plan	**5,823**	5,589
Accrued vacation and payroll taxes	**3,155**	2,709
Property and equipment	**2,473**	2,672
Accounts receivable	**1,612**	1,538
Deferred rent	**1,501**	3,387
Deferred revenue	**1,351**	1,773
Workers' compensation	**1,317**	1,274
Net operating losses	**961**	1,264
Other	**1,754**	1,570
Total deferred tax assets	**38,749**	39,526
Deferred tax liabilities:		
Property and equipment	**(24,893)**	(22,896)
Intangible assets	**(8,445)**	(8,468)
Inventories	**(3,240)**	(3,980)
Prepaid commissions	**(1,121)**	—
Other	**(782)**	(806)
Total deferred tax liabilities	**(38,481)**	(36,150)
Net deferred tax assets	**$ 268**	$ 3,376

The Company had federal net operating loss carryforwards (NOLs), assumed through acquisitions, of $2,711 and $3,577 as of March 31, 2013 and 2012, respectively, which are available to offset current and future taxable income. The Company utilized $866 of these NOLs to offset the taxable income in fiscal years 2013 and 2012. The remaining NOLs expire in 2028.

The Company believes it has made adequate provision for all income tax uncertainties. That assessment is subject to change based on the completion of audits or statute of limitation expirations. It is reasonably possible that the amount of unrecognized tax benefits could be reduced in the next 23 months. The unrecognized tax benefit liability, classified within accrued expenses and other current liabilities, includes $450 and $822 of interest and penalties as of fiscal year end 2013 and 2012, respectively. The Company is subject to examinations by the United States and foreign tax authorities for the years 2008 through 2013 and 2004 through 2013, respectively.

Note 13. COMMITMENTS

The Company leases offices, warehouse facilities and fleet vehicles under operating lease agreements. Certain of these leases contain rent escalation clauses and require the payment of property taxes, maintenance and other operating costs.

Expense under operating leases with terms greater than one year consists of:

	Years ended March 31, 2013	2012
Leases:		
Non-cancelable	**$11,365**	$11,415
Cancelable	**197**	1,256
Total leases	**$11,562**	$12,671

In addition, the Company enters into contractual agreements with colleges and universities to manage and operate retail bookstores. Certain of these contractual agreements contain escalation clauses and/or require store improvements or other payments. In addition to fixed minimum payments, the majority of these agreements provide for additional payments contingent on sales. Also, many agreements contain cancellation clauses which allow either party to terminate the contract with 60 to 180 days notice without cause.

Expense under store operating agreements consists of:

	Years ended March 31, 2013	2012
Store operating agreements:		
Non-cancelable	**$ 23,791**	$ 20,790
Cancelable	**195,551**	197,787
Total store operating agreements	**$219,342**	$218,577

Future minimum operating lease and store operating agreement payments having initial or remaining terms in excess of one year are as follows:

	Store operating agreements	Operating leases	Capital lease
Fiscal year ending March 31:			
2014	$ 14,103	$ 11,497	$ 1,931
2015	6,881	7,933	1,963
2016	4,872	6,743	1,995
2017	4,220	4,337	2,027
2018	3,864	2,960	2,060
Thereafter	15,129	14,784	29,998
Total future minimum commitments	**$49,069**	**$48,254**	**$39,974**
Less amount representing interest			23,468
Present value of minimum lease payments			**$16,506**

The Company leases warehouse and office space from a real estate affiliate in which certain Company officers, directors, and shareholders have beneficial interests. Initial terms expire between 2013 and 2016, followed by renewal options at escalated rates. In addition, the leases contain other provisions, including non-renewal fees and market value purchase options of the leased properties. The aggregate operating lease rent for fiscal year 2013 and 2012 was $4,174 and $4,134, respectively. Payments due for the operating leases over the next five years, included in the table above, are $4,036, $2,881, $2,589, $1,450, $298 and $4,387 thereafter. The Company is also required to pay property taxes, insurance, and maintenance costs.

Note 14. SHAREHOLDERS' EQUITY

Class A preferred stock consisted of 48,000 shares authorized, issued and outstanding at March 31, 2013 and 2012. Common stock consisted of 80,000 shares authorized and 36,107 shares issued as of March 31, 2013 and 2012. Treasury stock, which is recorded at cost, consisted of 3,550 and 3,556 shares as of March 31, 2013 and 2012, respectively.

Note 15. STOCK-BASED COMPENSATION

The Company has a nonqualified stock option plan. Under this plan, the Company may grant options for up to 4,000 shares of common stock, of which 3,361 remain available for future grant. Options have been granted to key employees to purchase shares of the Company's common stock at a price based on an appraised value, subject to certain repurchase provisions. Options become exercisable one year from the date of the grant, expire five years from the date of grant, and have an exercise price of $19.20 to $29.48 per share as of March 31, 2013.

Appraisal-based stock option activity for fiscal year 2013 was as follows:

	Options	Weighted average exercise price
March 31, 2012	**273**	**$26.33**
Options granted—current year awards	182	19.20
Options exercised	(49)	26.37
Options canceled	(50)	28.87
March 31, 2013	**356**	**$22.33**
Exerciseable at March 31, 2013	**181**	**$25.36**

Stock issued under the Company's stock option plans is mandatorily redeemable upon the earlier of separation of employment from the Company or 15 years from the date of grant in the case of stock options granted after March 31, 2004. The redemption obligation for shares included in equity was $426 as of March 31, 2013.

The Company has also granted Capital Appreciation Units (CAUs), which are based on the Company's appraised value. These units vest over a three- to five-year period and expire after 10 years. As of March 31, 2013, there were 1,762 units outstanding at exercise prices ranging from $19.20 to $31.75 per unit. As of March 31, 2012 there were 1,285 units outstanding at an exercise price ranging from $21.08 to $31.75 per unit.

On December 8, 2011, an extraordinary dividend of $137,556 was declared that reduced the fair value of the Company's outstanding stock awards. The grant prices of outstanding stock options and CAUs were decreased by the ratio of the pre- and post-dividend share price. In order to maintain the fair value to participants, additional stock options of 35 and CAUs of 166 were granted based on the same ratio during fiscal year 2012.

The Company also maintains two formula-based plans for which there have been no grants during fiscal years 2013 or 2012. Liabilities under this plan of $4,950 and $7,960 are recorded within accrued expenses and other current liabilities as of March 31, 2013 and 2012, respectively.

The Company's stock option and other stock-based awards require that compensation expense be recognized over the life of the award. Compensation expense is measured as the appreciation in the Company's formula value or appraised value since the grant date. Total compensation income arising from stock-based compensation plans was $58 and $2,099 for fiscal year 2013 and 2012, respectively. Compensation expense related to dividends on shares classified as liabilities was $186 and $2,029 for fiscal year 2013 and 2012, respectively.

Note 16. EARNINGS PER SHARE

Basic earnings per share of common stock is computed by dividing net income by the weighted average number of common shares outstanding. Weighted average common shares outstanding during the year were 32,496 and 32,617 for fiscal year 2013 and 2012, respectively. Dilutive earnings per common share is computed assuming the exercise of in-the-money stock options and outstanding Restricted Stock Units (RSUs), and had the effect of increasing the weighted average number of common shares outstanding by 13 shares for fiscal year 2013. There were no dilutive shares for fiscal year 2012. One year of stock options and all outstanding RSUs were in-the-money as of March 31, 2013.

Note 17. CONTINGENCIES

The Company is subject to various lawsuits, claims and proceedings which have arisen in the ordinary course of business. The Company believes that the ultimate liability in excess of reserves currently recorded, individually or in the aggregate, will not have a material adverse effect on the Company's results of operations and financial position.

Note 18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 7, 2013, the date the financial statements were available to be issued.

Report of independent auditors

Board of Directors
Follett Corporation

We have audited the accompanying consolidated financial statements of Follett Corporation and subsidiaries, which comprise the consolidated balance sheets as of March 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Follett Corporation and subsidiaries at March 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Chicago, IL
June 7, 2013

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Follett Corporation

*Director

Contacts

For more information, contact Thomas Kline, Vice President of Corporate Communications, at 708.437.2053.

For guidance, or to bring to the company's attention any issues of employee dishonesty, harassment or improper management practices, as well as complaints regarding improper accounting and auditing matters, please call the Follett Ethics Hotline at 1.800.243.9930.

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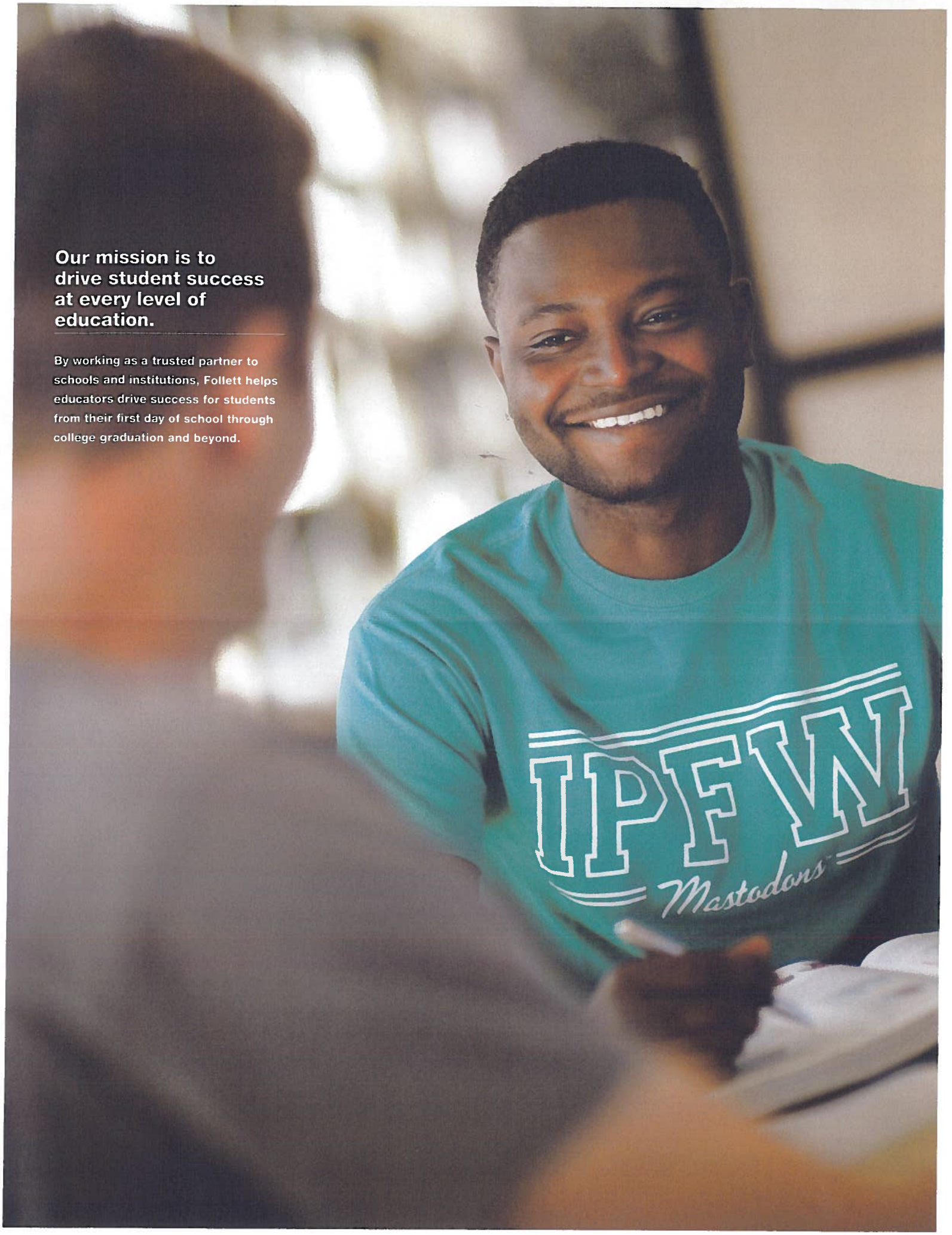
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